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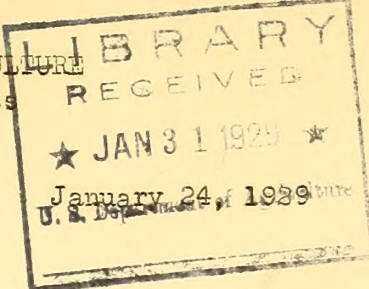


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UNITED STATES DEPARTMENT OF AGRICULTURE  
Bureau of Agricultural Economics  
Washington

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FOREIGN NEWS ON WHEAT



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WORLD WHEAT CROP AND MARKET PROSPECTS

Revisions of estimates of some countries and additional reports from some others during the past month have had little effect on the world supply situation for 1928-29, according to the Foreign Service of the Bureau of Agricultural Economics. The crop exclusive of Russia and China is estimated at 3,730,000,000 bushels, as compared with 3,565,000,000 bushels last season. The increase this year is 4.6 per cent, as compared with an increase of 4.2 per cent last season over 1926-27. The present season's crop is estimated to be 5.0 per cent greater than that of 1923-24 and during that five-year period the world's population is estimated to have increased by about 4 per cent, but the per capita demand for wheat has also increased.

With prices to date at about the same levels as in 1923-24, consumption of this season's crop has been very rapid. The low prices have increased the use for both food and feed, the increased use for feed having been given additional stimulus by the short corn crop in Europe and the relatively high prices of feed grains. Despite the 1928 crop of Europe being more than 100 million bushels greater than that of 1927, it is estimated that the Continent will import about as much as last season, and with larger imports for the United Kingdom in prospect, European takings are expected to be well above those of 1927-28.

The increase in takings of wheat by non-European countries is perhaps the most striking evidence of the effect of low prices on

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consumption. Though imports into Europe since July 1 have thus far been slightly less than last year, net exports of the principal exporting countries have been 478 million bushels this year, as compared with 409 million last year, indicating much larger shipments to non-European countries.

#### The Market Outlook for Continental Europe

The large 1928 wheat crop is reducing the import needs of many countries, as anticipated, yet it is equally apparent that low wheat prices, relatively high prices of feedstuffs and the short European corn crop are contributing to a generally heavy consumption of wheat. The net result seems likely to be a continued large importation and a total movement of wheat into consumption substantially above average for Continental Europe.

The wheat crop in the four surplus countries in the Danube Basin and in ten leading deficit countries is now estimated to be about 136 million bushels larger than last year -- 10 million bushels less than expected two months ago. Nevertheless, it is doubtful whether the wheat deficit will fall below last year's.

According to reports from Agricultural Commissioner L. V. Steere at Berlin, the total movement of wheat into consumption in Continental Europe so far this season appears to be fully up to last year and even somewhat beyond. Overseas shipments to the Continent since the first of August are slightly larger than for the same period last year, and actual imports into the leading deficit countries of the Continent during the current season have been only slightly below last year's takings. Exports from the lower Danube countries have been smaller than last year to date, but shipments from the upper Danube Basin have been larger, and the total movement from these surplus countries to date slightly exceeds last year's outward flow. The spring months will probably bring a larger volume of exports from the lower Danube, especially Rumania, although the surplus does not seem to be large. The marketing of the domestic crops over the rest of the Continent has been reported rather slow since harvest time, but indications are that the disappearance of the new crop has probably been greater than generally expected. The utilization of the continental crop to date for bread and grain and for feeding purposes combined is certainly not far from normal and may exceed normal disappearance from a crop of this size.

Total shipments of wheat and flour from August 1 to January 19 to the continent of Europe have been 171,720,000 bushels this season, as compared with 182,240,000 bushels in the corresponding period of last season.

In Germany it appears that consumption of wheat, either for bread purposes or as feed, is exceeding that of last year. The December 15 farm stock figures of the Deutsche Landwirtschaftsrat point to the disappearance up to December 15 of 11,647,000 bushels more wheat last year, of which





4,409,000 bushels are accounted for by exports and the balance for the most part consumed, probably as feed. Increased consumption of rye to the extent of about 11,810,000 bushels during the same period is also indicated. The same conditions apparently prevail to a greater or less extent in many other continental countries.

According to Agricultural Commissioner Steere, despite the relatively large oversea shipments of wheat to Europe, trade reports generally agree that port, trade and flour mill stocks of grain are small in most of Western and in parts of Central Europe. The grain trade and the flour mills have preserved a cautious attitude for many weeks and purchases have been generally only for current needs, as the large crop expected in Argentina has exerted great pressure on prices. Some trade observers state that the Continent is considerably under-bought in respect to future grain requirements, and express belief that this under-supply will eventually force heavy buying, possibly at higher prices.

Reports from the Danube and the Balkans indicate that stocks of wheat available for export have been increasing steadily during the past two months as a consequence of slow export business, but this seems to be mainly true in Hungary and Yugoslavia. In Rumania the slower export business does not seem to have been accompanied by much accumulation of stocks at market centers, and farmers there appear either somewhat reluctant to accept current prices or to be without substantial marketable surpluses of grain. Many indications point to the latter, an important factor being the unusually short corn crop, while some trade reports even speak of poor crops in Rumania.

Farm stocks of wheat in other parts of Continental Europe do not appear to be much heavier than usual at this time of the year, except possibly in Germany and a few other less important countries where production was large, and even here there are indications that the supplies still to be sold from farms are disappearing rapidly and will exert no more than usual pressure during the balance of the season. Numerous reports from Germany and neighboring countries state that farmers, as a consequence of the comparatively low prices of wheat and rye and the relatively high prices for feedstuffs, are endeavoring to feed their livestock as much as possible from their own resources, and that the quantities of bread grain used for feeding purposes on the farms this season will be unusually large.

The relationships between the price of wheat and that of corn in Germany have been so much out of line that the Berlin price of wheat on December 31 was 132 cents per bushel, while the Hamburg price of corn was 133 cents per bushel. Last year the price of wheat was 152 cents per bushel and that of corn 125 cents.

It appears that the reported slow farm marketing of wheat and rye by European farmers has been due largely to an inclination to hold these grains for possible feeding requirements, as well as to the hope of obtaining better prices later on. Reports of a pending feedstuff shortage have had wide spread circulation in Europe for many months. The fact that farmers are holding substantially larger quantities of bread grains than





usual for future feeding requirements is indicated not only by reports from the Balkans and the Danube, where the corn crop is short, and by reports from Central Europe but it is also confirmed by the December 15 figures on farm stocks in Germany. These latter indicate that farmers were at that time holding about two and three-quarter million bushels more wheat, and about fourteen million bushels more rye for consumption on farms than they were last year.

GRAIN: Stocks on farms in Germany, December 15, 1927 and 1928

Cereal and year	Total stocks	Available for sale	To be kept
	<u>1,000 bushels</u>	<u>1,000 bushels</u>	<u>1,000 bushels</u>
1928			
Wheat .....	78,600	64,000	14,600
Winter rye .....	177,600	97,900	79,700
1927			
Wheat .....	69,200	57,400	11,800
Winter rye .....	130,000	64,400	65,600

The following table gives latest estimates of the 1928 wheat production in fourteen continental countries:

WHEAT: Estimated production in Europe, 1927 and 1928

Country	1928 : January 10, 1929	1928 : October 31, 1928	1927
	<u>1,000 bushels</u>	<u>1,000 bushels</u>	<u>1,000 bushels</u>
Germany .....	141,609	126,463	120,522
Italy .....	228,596	228,580	195,809
France .....	277,657	277,657	276,128
Belgium .....	17,778	17,747	16,277
Holland .....	7,569	6,981	6,156
Czechoslovakia .....	41,434	41,434	40,385
Austria .....	12,055	12,324	11,960
Switzerland .....	4,270	4,270	4,119
Denmark .....	a/ 9,149	a/ 9,553	9,408
Poland .....	53,882	53,645	54,230
Total, 10 countries ...	793,999	778,654	734,994
Hungary .....	92,037	93,328	76,933
Yugoslavia .....	96,378	105,361	56,568
Rumania .....	115,544	130,512	96,734
Bulgaria .....	50,691	51,104	47,347
Total, 4 countries ....	354,650	380,305	277,581
Total 14 countries	1,148,649	1,158,959	1,012,575

a/ Mr. Steere's estimate.



World production 1928-29

Revisions have been made in the official estimates of production of Germany and Yugoslavia during the past month. The estimate of German wheat production has been revised upward by over 15,000,000 bushels and the Yugoslavian estimate of the 1928 wheat crop now stands about 9,000,000 bushels below the previous one. Both revisions confirm earlier advices received by the Foreign Service of the Bureau of Agricultural Economics and do not entail any change in the estimated world totals. The production of 26 countries of Europe now stands at 1,354,627,000 bushels for 1928, compared with 1,239,817,000 bushels for 1927.

The Southern Hemisphere situation remains uncertain because of lack of official Argentine estimates. From acreage and yield expectations based on weather conditions it is roughly estimated at 250,000,000 bushels as against last year's official estimate of 239,000,000 bushels.

World production, exclusive of Russia and China, is still estimated for 1928-29 at 3,730,000,000 bushels as compared with 3,565,000,000 bushels for 1927-28. This represents an increase of 4.6 per cent.

Germany

The December official estimates of all the grains as well as potatoes are considerably larger than the estimates made in September and October. The total wheat estimate has been increased by more than 15,000,000 bushels to 141,609,000 bushels, which is 17.5 per cent above the 1927 production of 120,521,000 bushels. The earlier rye estimate has been increased by more than 32,000,000 bushels to 335,493,000 bushels, which is an increase of about 25 per cent over the 1927 crop.

The following table shows estimates of production of bread grains in Germany for the past six years and 1928.

Year	Winter wheat	Spring wheat	Total wheat	Winter rye	Spring rye	Total rye
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
1922.....	61,253	10,673	71,926	203,673	2,360	206,033
1923.....	91,445	15,003	106,448	259,046	3,991	263,037
1924.....	76,832	12,367	89,199	219,828	5,745	225,573
1925.....	109,352	8,861	118,213	313,566	3,852	317,418
1926.....	86,552	8,877	95,429	248,828	3,359	252,187
1927.....	109,444	11,077	120,521	265,258	3,767	269,025
1928-						
1st estimate	113,962	12,501	126,463	298,839	4,441	303,280
2nd estimate	127,206	14,403	141,609	330,729	4,764	335,493

Yugoslavia

The 1928 wheat production in Yugoslavia has been reduced 9,000,000 bushels from the earlier estimate, and now stands at 96,378,000 bushels, according to a cable to the Foreign Service of the Bureau of Agricultural Economics from the International Institute of Agriculture. It is still, however, 70 per cent above the 1927 crop and the largest crop on record there. The



earlier rye estimate has been reduced nearly 1,300,000 bushels to 7,283,000 bushels, which is 23 per cent above the 1927 crop, and the largest on record with the exception of the harvests of 1925 and 1926. These reductions in the preliminary estimates were expected, since all reports indicated that the crops had been over-estimated.

The following table shows the first and second estimates of the production of these grains in 1928 compared with the harvests of the past six years:

Year	Wheat	Rye
	<u>1,000 bushels</u>	<u>1,000 bushels</u>
1922.....	44,472	4,523
1923.....	61,068	5,906
1924.....	57,770	5,541
1925.....	78,647	7,864
1926.....	71,427	7,454
1927.....	56,568	5,923
1928-		
1st estimate.....	105,361	8,563
2nd estimate.....	96,378	7,283

#### Russia

Russian grain procurements from July 1 to January 1 were 6,399,000 short tons against 5,639,000 short tons during the same period last year, according to a cable from Agricultural Commissioner L. V. Steere at Berlin. Procurements during December were 1,107,000 short tons, an increase of 20,000 short tons over November. The eastern regions furnished 56 per cent of the total December procurements and the commissariat of trade has increased the plans for future procurements in these regions by 772,000 short tons.

Reports of procurings during the present month indicate a decline in the greater part of the country and increasing agitation for renewed energy in the procuring work with rumors of a social boycott and of cooperatives stopping the sale of manufactured goods to peasants who do not deliver their grain to the procuring agencies. There are also rumors of bread speculations with reported shipments from the cities.

#### Plantings and prospects for the 1929-30 harvest

##### Plantings -

Reports of areas sown to winter wheat and rye are somewhat mixed, but on the whole seem to show a tendency to decrease acreage in the surplus producing countries. This appears to be the result of low prices of the current season. The acreage sown to winter wheat in Czechoslovakia is estimated at 31 thousand acres more than that of the previous year, but the Bulgarian area shows a decrease of 160 thousand acres. Similarly, the increase in Czechoslovakian rye acreage is more than offset by the decrease of Bulgarian sowings.







In Czechoslovakia the area sown to winter wheat for the 1929 harvest is estimated at 1,481,000 acres and rye at 2,008,000 acres, according to a cable to the Foreign Service of the Bureau of Agricultural Economics from the International Institute of Agriculture. The area sown to wheat has been increased 2 per cent over the area sown for the 1928 harvest and is the largest within present boundaries. The area sown to rye is one per cent greater than last year and the largest since 1926.

The following table gives the estimates of area sown to winter wheat and rye for the 1925-1929 harvests.

Harvest year	:	Winter wheat	:	Winter rye
	:	<u>1,000 acres</u>	:	<u>1,000 acres</u>
1925 .....	:	1,370	:	2,034
1926 .....	:	1,392	:	2,008
1927 .....	:	1,422	:	1,946
1928 .....	:	1,450	:	1,984
1929 .....	:	1,481	:	2,008
	:		:	

In Bulgaria the area sown to winter wheat for the 1929 harvest is estimated at 2,619,000 acres and winter rye at 405,000 acres, according to a cable to the Foreign Service of the Bureau of Agricultural Economics from the International Institute of Agriculture. The area sown to winter wheat is 5 per cent below the area sown for the 1928 harvest and the area sown to rye is 10 per cent below the 1928 area.

The following table gives the estimates of area sown to winter wheat and winter rye for the 1925-1929 harvests.

Harvest year	:	Winter wheat	:	Winter rye
	:	<u>1,000 acres</u>	:	<u>1,000 acres</u>
	:		:	
1925 .....	:	2,497	:	415
1926 .....	:	2,574	:	427
1927 .....	:	a/ 2,658	:	426
1928 .....	:	a/ 2,779	:	450
1929 .....	:	2,619	:	405
a/ Total area.				

In Punjab, India, the area sown to wheat for the 1929 harvest is estimated at 10,747,000 acres, according to a cable to the Foreign Service of the Bureau of Agricultural Economics from the International Institute of Agriculture. This acreage compares with 10,304,000 acres in 1928 and 10,626,000 acres in 1927. The Punjab is one of the most important wheat producing provinces of India, representing about one-third of the total wheat acreage. The condition of the crop is reported at 94 per cent of normal.



The following table gives the estimate of the 1929 area in the Punjab with the estimates for the Punjab and all India for the years 1923-1928:

Year	Punjab	India
	<u>1,000 acres</u>	<u>1,000 acres</u>
1923 .....	10,899	30,852
1924 .....	11,013	31,181
1925 .....	10,924	31,788
1926 .....	10,683	30,471
1927 .....	10,626	31,303
1928 .....	10,304	32,211
1929 .....	10,747	

#### Crop conditions

Reports up to early January indicated favorable conditions for fall sown wheat and rye in Europe. In many countries conditions were above average and complaints of damage were limited to relatively small areas. During the week ended January 17, however, severe cold weather was general over Europe. There was considerable snow in Northern and Central Europe and Russia, but in parts of Rumania, Italy and France, winter cereals appear to have been damaged by the cold.

The condition of winter grain in Egypt deteriorated slightly during December, but on January 1 was slightly above the condition at the same time last year. It was also above the ten-year average condition, being 102 per cent this year. A condition of 100 per cent is the condition which promises a yield equal to the average of the past ten years. Last year the condition on January 1 was 100 per cent.

#### Distribution of the Argentine wheat crop

Statistics of supply and distribution of the Argentine wheat crop of 1927-28 indicate it to have been considerably under estimated. The crop and carryover together were estimated officially at 257 million bushels. Allowing for consumption of 77 million bushels as officially estimated, the exportable surplus would be 180 million bushels.

Though the exportable surplus as estimated from the crop and carryover was only 180 million bushels, 199 million bushels appear to have actually been exported in the calendar year 1928. This leaves a deficit of 19 million bushels and indicates that the crop of last year was under estimated by that amount plus the amount of the carryover from the 1927-28 crop.



There is a possibility of some duplication in the unofficial statement of exports, but such duplication can not be great. There is also the possibility that some of the wheat exported in December may have been of the new crop. The amount of this, however, could not have been large and the heavy exports during December totaled 14 million bushels. The maintenance of large exports through December and into January indicate that there was a considerable carryover.

Statistics of the distribution of the crops of the past five years follow:

WHEAT: Distribution of the crop in Argentina, crop years  
1923-24 to 1927-28

Item	: 1923-24	: 1924-25	: 1925-26	: 1926-27	: 1927-28
	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000
	: <u>bushels</u>	: <u>bushels</u>	: <u>bushels</u>	: <u>bushels</u>	: <u>bushels</u>
Carryover January 1 <u>a/</u>	: 563:	10,163:	13,580:	35,339:	18,235
Production .....	: 247,807:	191,138:	191,141:	220,827:	239,162
Total available ....	: 248,390:	201,301:	204,721:	256,166:	257,397
Seed .....	: 20,576:	23,148:	b/ 86,714:	77,161:	77,161
Home consumption .....	: 47,399:	47,399:	b/ 86,714:	77,161:	77,161
Exportable surplus ...	: 180,415:	130,754:	118,007:	179,005:	180,236
Net exports .....	: 169,914:	116,939:	c/ 81,961:	c/ 163,846:	d/ 199,592
Balance December 31 ..	: 10,501:	13,815:	36,046:	15,159:	---
Deficit December 31 ..	: ---:	---	---	---	19,356

a/ Carryover as of January 1 is as officially reported. Balance on December 31 is statistical balance. b/ Includes 9,553,000 bushels of poor quality grain. c/ Total exports. d/ Total exports; January to June from official sources, 136,006 July to December from trade sources 61,586.

Wheat Prices

Wheat prices averaged lower in December than in November, but there was a sharp upswing in January which by the middle of the month carried prices of most grades to levels as high as any reached thus far this season. The average market price of all classes and grades was 107 cents per bushel in December, which was two cents below that of the preceding month. The decline during December and the first week of January was gradual. From 109 cents per bushel for the first week of December they declined to 105 cents for the week ended January 4. The rise after the first week of January was much more rapid, all classes and grades reaching 108 cents the week ended January 11, and 115 cents per bushel the week ended January 18.

The decline was greatest in the price of soft red winter wheat, No. 2 red winter wheat at St. Louis dropping from 143 cents per bushel the first week of December to 135 cents the last week, but the recovery





was earlier, its price averaging 141 cents per bushel the first week in January. No. 2 hard winter at Kansas City declined from 113 cents per bushel for the week ended December 7 to 108 cents the week ended January 4. Its average price was the same for the following week but for the week ended January 18 it had risen to 114 cents. Hard spring wheat declined less, principally because of good protein premiums. No. 1 dark northern spring at Minneapolis, which averaged 124 cents per bushel the week ended December 7, was 120 cents the last week of December, 123 cents the first week of January, and for the week ended January 18 it averaged 130 cents per bushel.

As may be seen by the appended charts, the course of wheat prices in the United States since the middle of August has been strikingly like the course of prices for the 1923-24 season. Hard winter wheat, hard spring wheat and durum wheat prices have not only been at about the same levels as in 1923-24 but the course of prices to date has been much the same this year. Soft winter wheat, on the other hand, has been about 30 cents per bushel higher than it was five years ago because of the smaller production of this class. Though amber durum prices are rather different this season, other durum prices are much more like those of the 1923-24 season. This year amber durum prices have been erratic and have been commanding higher premiums over the other sub-classes of durum wheat because of the small amount of the crop which grades amber durum.

The supply situation this year is like that of 1923-24 in many respects. The world crop this year is of about the same size relative to present day consumption requirements as was the 1923-24 crop to the consumption requirements of five years ago. The Southern Hemisphere crop was large in both years, the 373 million bushel crop which Argentina and Australia harvested five years ago being as large for that time as a 400 million bushel crop is for this year. The chief points of difference affecting the domestic situation are three. First, the United States has a much smaller crop of soft winter wheat this year and prices for it are higher. Second, the increase of the world crop this year over last year is about 185 million bushels, while the increase of the 1923-24 crop over the previous year is estimated at 326 million bushels. Third, the United States crop comprises a larger part of the world production this year than it did in 1923-24. It is estimated at 904 million bushels this year as against 797 million in 1923. The larger proportion of the crop which was harvested in the United States this year, together with the location of that crop within the United States, has resulted in our visible supply mounting to unusual heights, and appears to have had an unduly depressing effect on the market,

#### Exports of Principal Countries July to December

The exports of wheat and flour during the last six months of 1928 have been above those of the corresponding period of any of the last five years by nearly 50 million bushels. For the ten principal exporting countries they were 474 million bushels, as compared with 425 million last year. In the absence of any such large increase in wheat afloat and



stocks at importing centers, these figures indicate an absorption of wheat well above that of last year. The increased absorption appears to be due primarily to lower prices and to the relative high prices of feed grains.

The greatest increase in exports over those of last year is shown by Canada, whose shipments this year have been 108 million bushels in excess of the same period a year ago. Argentina and Australian exports were also higher, being 20 and 7 million bushels, respectively, above those of last season. Shipments from the United States were 55 million less than during the corresponding six months of the previous year. British India and the Balkans also showed substantial decreases from last year.

WHEAT, INCLUDING FLOUR: Exports from the principal exporting countries,  
July 1 - December 31, 1923-1928

Country	1923	1924	1925	1926	1927	1928 Prel.
	1,000	1,000	1,000	1,000	1,000	1,000
	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>
Canada .....	206,089	128,585	202,515	179,036	170,835	278,924
United States .	100,892	182,466	60,447	146,383	155,799	100,790
Argentina .....	43,102	44,757	31,433	14,304	40,139:c/	61,586
Australia .....	a/ 24,875	22,608	18,315	15,265	23,373:c/	30,012
Russia .....	b/	b/	b/	25,892:c/	5,392:c/	8
Hungary .....	a/ 8,549	10,718	12,797:a/	15,765:a/	13,871:)	
Yugoslavia a/	4,762	8,420	7,006	8,039	846:)	
Rumania .....	a/ 1,699	a/ 3,463	968	7,776	3,858:)	c/ 1,680
Bulgaria .....	1,808	286	2,222	1,635	1,593:)	
British India .	11,916	25,584	4,468	6,172	9,330:c/	1,064
Total .....	403,692	426,887	340,171	420,269	425,036	474,264

Compiled from official sources except where otherwise noted.

a/ International Crop Reports and agricultural statistics.

b/ Not available. c/ Trade sources.

### The Oriental Situation

#### China

Towards the close of December the Shanghai flour mills had again resumed full operation using Canadian wheat with small amounts of domestic wheat, according to a cable to the Foreign Service of the Bureau of Agricultural Economics from Agricultural Commissioner P. O. Nyhus at Shanghai. The arrivals of Canadian wheat were not large during December, but the shipments which are expected in January and February will keep the mills in full operation at least until some time in March and a few mills will be supplied with enough wheat to last until the domestic crop is harvested in May. A leading importer estimates that during December about 750,000





bushels (20,000 tons) of Canadian No. 5 and fully as much Australian wheat were ordered. Millers are now in the market for some soft wheat to blend with the Canadian wheat and since the prices of the Australian wheat are fairly satisfactory and lower than American western red, there are good prospects for additional business in Australian wheat.

While the mills were idle, the surplus stocks of flour were absorbed and at present the stocks are very low. Prices have improved and the demand for flour is good. Recently Tientsin flour dealers have been very active buyers for January and February shipment.

The quotations on January 4, c.i.f., at Shanghai were as follows: Native wheat \$1.27 per bushel, Canadian No. 4, \$1.30, Canadian No. 5, \$1.18; American western red \$1.34 and Australian \$1.31. This shows an increase in the price of native and Canadian wheat, but a decrease in Australian prices. The December 1 quotations for January delivery were: Native wheat \$1.26 per bushel; Canadian No. 4, \$1.26; Canadian No. 5, \$1.17; western red No. 2, \$1.34; and Australian \$1.39 per bushel. The spot price of native flour on January 4 was \$1.44 per bag against \$1.41 on December 3.

A tax on flour imports at Tientsin which has been pending since September was put into effect with the cooperation of maritime customs during November, according to a cable to the Foreign Service of the Bureau of Agricultural Economics from Agricultural Commissioner P. O. Nyhus at Shanghai quoting Vice Consul Ward at Tientsin. The tax is 2.25 cents per bag on contracts made before September 15 and 4.5 cents per bag on contracts made after September 15. Some dealers resisted the tax and refused delivery of imports with the result that stocks piled up temporarily but late in the month were being liquidated. Mill owners have been greatly restricted by the extreme scarcity of local wheat and the necessity to depend almost entirely upon wheat shipped from Shanghai. It is reported that the dry autumn has prevented farmers in the Tientsin region from sowing a normal acreage of winter wheat and that millers fear that their local supplies from the 1929 crop may be small. Arrivals of flour in November were estimated at 2,800,000 sacks with sources as follows: From Canada 1,300,000 sacks, United States 600,000, China 600,000, and from Japan 300,000 sacks.

### Japan

As a result of a good export demand for flour together with a good domestic demand, the milling industry of Japan continued on an upward trend during December. The prices at mills of imported wheat on January 1 remained practically unchanged from December 1, the price of Canadian No. 5 wheat showing the only change. United States western white No. 2 remained at \$1.68 per bushel and Australian wheat at \$1.70 per bushel but Canadian No. 5 declined 2 cents to \$1.57 per bushel.

Imports of wheat into Japan during November were 1,409,000 bushels or 140,000 bushels below the October imports but over 90,000 bushels greater than during November 1927. The total imports during the first five months of the season were 6,456,000 bushels against 4,796,000 bushels during the same period last year. The United States supplied 391,000 bushels of the total November imports, Canada 800,000 bushels and Australia 127,000 bushels.

The domestic flour market was normal during December and the export demand for flour was good. Exports of flour from July 1 to December 1 were nearly twice the amount exported during the same five months last year, amounting to





2,919,000 bags of 50 pounds each against 1,564,000 bags last year. The exports during November were 659,000 bags. The wholesale price of flour on January 1 was \$1.69 per bag, or two cents above the price on December 1 and 9 cents above the price on October 1.

WHEAT: Production in principal countries, average 1909-1913, annual 1925-1928

Country	Average 1909-1913	1925	1926	1927	1928
<b>NORTH AMERICA</b>					
	1,000 bush	1,000 bush	1,000 bush	1,000 bush	1,000 bush
United States .....	690,108	676,429	831,040	878,374	902,749
Canada .....	197,119	395,475	407,136	440,025	500,613
Mexico .....	a/ 11,481	9,213	10,333	11,890	11,332
Total .....	898,708	1,081,117	1,248,509	1,330,289	1,414,694
<b>EUROPE</b>					
England and Wales ..	55,770	50,773	48,683	53,116	47,264
Scotland .....	2,273	2,016	2,091	2,427	2,315
Northern Ireland ...	(427)	129	226	212	183
Norway .....	3065	490	586	605	676
Netherlands .....	4,976	5,577	5,487	6,156	7,569
Belgium .....	15,199	14,477	12,801	16,277	17,778
Luxemburg .....	615	553	622	702	799
France .....	325,644	330,844	231,767	276,128	277,657
Spain .....	130,446	162,592	146,599	144,825	129,591
Portugal .....	b/ 11,850	12,090	8,560	11,447	6,578
Italy .....	184,393	240,845	220,644	195,809	228,596
Switzerland .....	3,314	3,516	4,244	4,119	4,270
Germany .....	131,274	118,213	95,429	120,522	141,609
Austria .....	12,813	10,671	9,438	11,960	12,055
Czechoslovakia .....	37,879	39,309	34,130	40,385	41,434
Hungary .....	71,493	71,675	74,909	76,933	92,037
Yugoslavia .....	62,024	78,647	71,427	56,568	96,378
Greece .....	b/ 16,273	11,222	12,403	12,970	15,676
Bulgaria .....	37,823	41,360	36,544	47,346	50,690
Rumania .....	a/ 158,672	104,741	110,883	96,734	115,544
Poland .....	63,675	57,797	47,080	54,230	53,882
Lithuania .....	3,264	5,285	4,180	5,273	7,275
Latvia .....	1,475	2,165	1,860	2,636	2,499
Estonia .....	364	791	844	1,079	1,103
Finland .....	137	929	924	1,064	879
Malta .....	196	274	310	294	289
Total Europe .....	1,332,575	1,366,981	1,182,671	1,239,817	1,354,627
<b>AFRICA</b>					
Cyrenaica .....	(500)	551	161	36	114
Morocco .....	(17,000)	23,872	16,174	24,618	22,193
Algeria .....	35,161	32,724	23,551	28,323	31,415
Tunis .....	6,224	11,758	13,044	8,267	12,125
Egypt .....	34,116	36,169	37,207	44,346	37,296
Tripolitania .....	(100)	92	176	173	18
Total Africa .....	93,171	105,166	90,313	105,763	103,161
<b>ASIA</b>					
Alacuite .....	(	(1,000)	1,249	919	735
Lebanon .....	( 4,000	1,470	874	1,213	661
Syria .....	(	7,535	11,815	12,451	4,748



WHEAT: Production in principal countries, average 1909-1913,  
annual 1925-1928, Cont'd

Country	Average 1909-1913	1925	1926	1927	1928
ASIA, Cont'd	1,000 <u>bushels</u>	1,000 <u>bushels</u>	1,000 <u>bushels</u>	1,000 <u>bushels</u>	1,000 <u>bushels</u>
India .....	351,841:	330,997:	324,651:	334,992:	289,781
Japan .....	25,088:	31,336:	30,188:	31,018:	33,000
Chosen .....	6,898:	10,509:	10,517:	9,043:	8,527
Total Asia .....	387,827:	362,847:	379,294:	389,636:	337,452
Total North. Hemis.:	2,712,281:	2,936,111:	2,900,787:	3,065,505:	3,209,934
Est. North. Hemis. ex.:	:	:	:	:	:
Russia and China ...	2,759,000:	3,067,000:	2,979,000:	3,137,000:	:
SOUTHERN HEMISPHERE:	:	:	:	:	:
Argentina .....	147,059:	191,141:	220,827:	239,162:	c/ (250,000)
Union of South Africa: b/	6,034:	9,210:	8,043:	6,644:	6,827
Australia .....	90,497:	114,504:	160,762:	116,737:	154,000
Total South. Hemis.:	243,590:	314,855:	389,632:	362,543:	410,827
Total above count.:	2,955,871:	3,250,966:	3,290,419:	3,428,048:	3,620,761
Est. world total ex.:	:	:	:	:	:
Russia and China ...	3,041,000:	3,435,000:	3,420,000:	3,565,000:	3,730,000
Russia .....	758,941:	730,090:	819,744:	745,885:	859,789
	:	:	:	:	:

a/ Four year average.

b/ One year only.

c/ Rough estimate.



Year beginning July 1									
All classes:	No. 2	:	No. 1	:	No. 2	:	No. 2	:	
and grades	hard winter	:	dk.n.spring	:	amber durum	:	red winter	:	
six markets	Kansas City	:	Minneapolis	:	Minneapolis	:	St. Louis	:	
1927-	1926-	:	1927-	:	1928-	:	1927-	:	1928-
:	28	:	29	:	28	:	29	:	28
:	29	:	28	:	29	:	28	:	29

[illegible]





## WHEAT: Closing prices of May futures

Date	Chicago		Kansas City		Minneapolis		Winnipeg		Liverpool		Buenos Aires a/	
	1927-28	1928-29	1927-28	1928-29	1927-28	1928-29	1927-28	1928-29	1927-28	1928-29	1927-28	1928-29
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Dec 6:	134	122	127	115	130	116	137	123	150	133	b/127	b/112
13:	130	122	124	115	126	116	135	124	149	134	b/127	b/110
20:	130	121	124	114	126	115	135	123	149	134	b/127	b/110
27:	130	121	124	114	126	115	136	123	149	134	b/126	b/111
Jan 3:	131	119	125	111	128	112	137	121	152	132	b/129	b/110
10:	130	121	124	114	127	115	136	124	150	134	b/126	b/109
17:	131	123	125	116	128	118	137	126	150	135	b/126	b/110
24:	130		125		127		135		149		b/127	
31:	130		124		126		135		147		b/128	

a/ Prices are as of day previous to date of other market prices.

b/ February future.

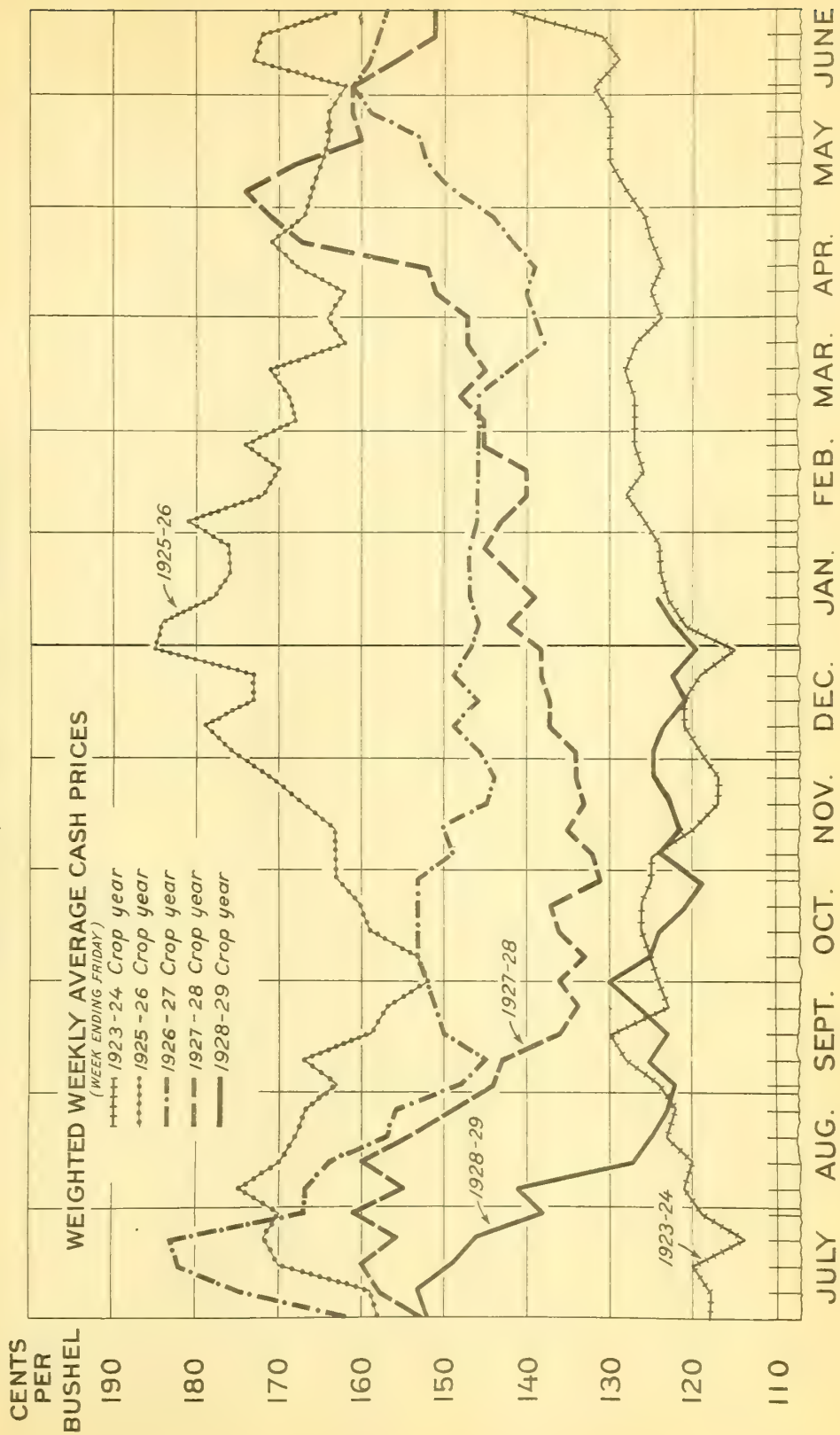
## WHEAT, INCLUDING FLOUR: Net exports from principal exporting countries and net imports into European importing countries, 1927-28 and 1928-29

Country	Exports		Country	Imports	
	Net exports reported			Net imports reported	
	July 1 to	1927-28 1928-29		July 1 to	1927-28 1928-29
		Million bushels			Million bushels
United States	Jan 12	154 94	Great Britain	Nov 30	92 80
Canada.....	Dec 31	171 279	Italy.....	Nov 30	22 36
Russia.....	Jan 5	5 a/	Germany.....	Nov 30	42 34
British India	Jan 5	8 1	France.....	Oct 31	30 17
Hungary.....	(	)	Belgium.....	Oct 31	15 15
Rumania.....	(Jan 5	4 2	Netherlands...	Nov 30	14 12
Bulgaria.....	(	)	Czechoslovakia	Oct 31	7 7
Yugoslavia...	(	)	Irish Fr. State	Oct 31	7 6
Algeria.....	Oct 30	2 3	Switzerland...	Nov 30	8 6
Argentina....	Jan 5	40 65	Sweden.....	Nov 30	4 3
Australia....	Jan 5	25 34	Norway.....	Oct 31	3 3
			Denmark.....	Oct 31	3 4
			Finland.....	Oct 31	2 ?
			Poland.....	Oct 31	1 ?
Total...		409 478	Total important:		
			European coun-		250 227
			tries		

a/ Less than .01 million bushels.



# WHEAT: PRICE OF NO.1 DARK NORTHERN SPRING AT MINNEAPOLIS 1923-24, 1925-26 — 1928-29

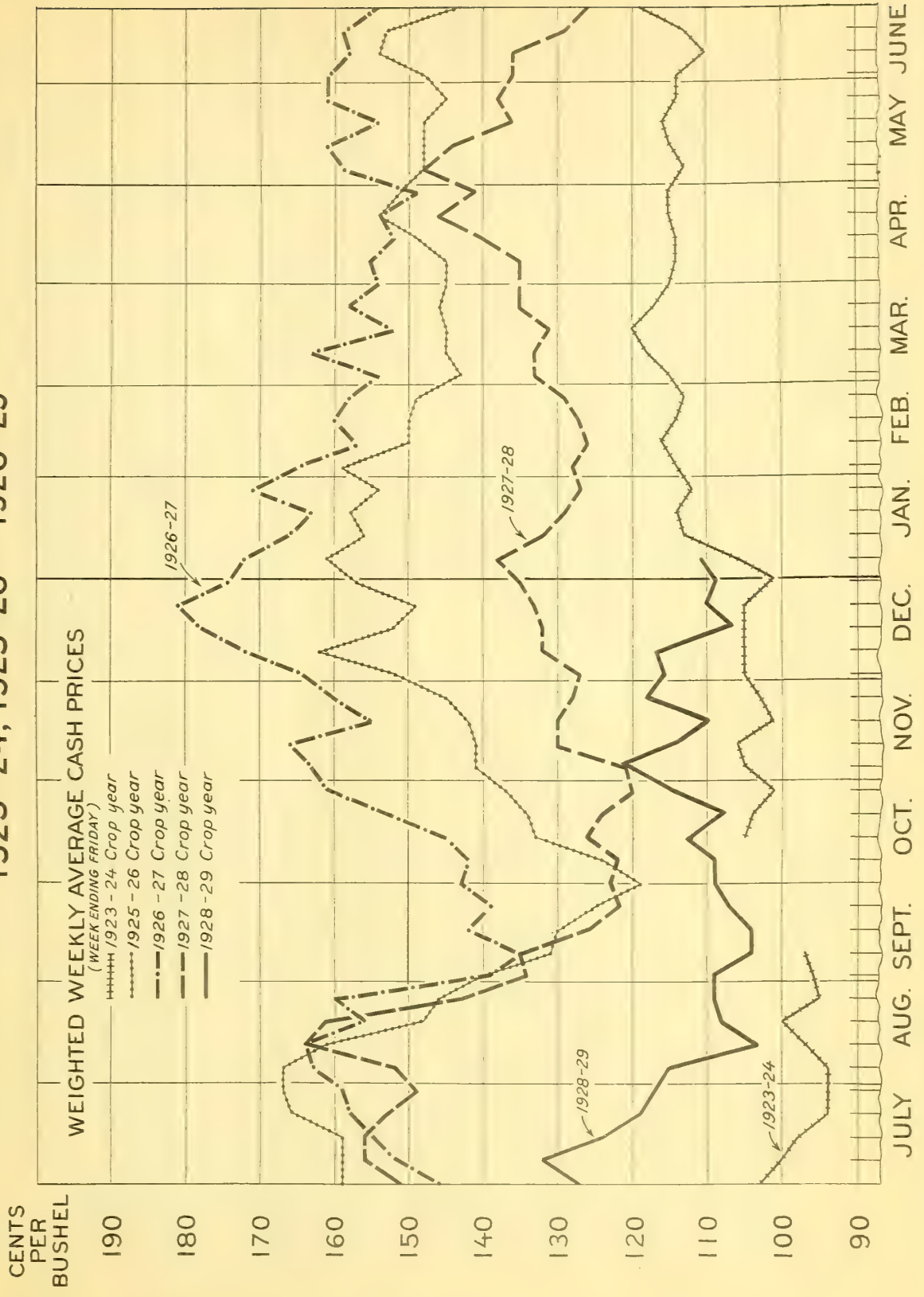






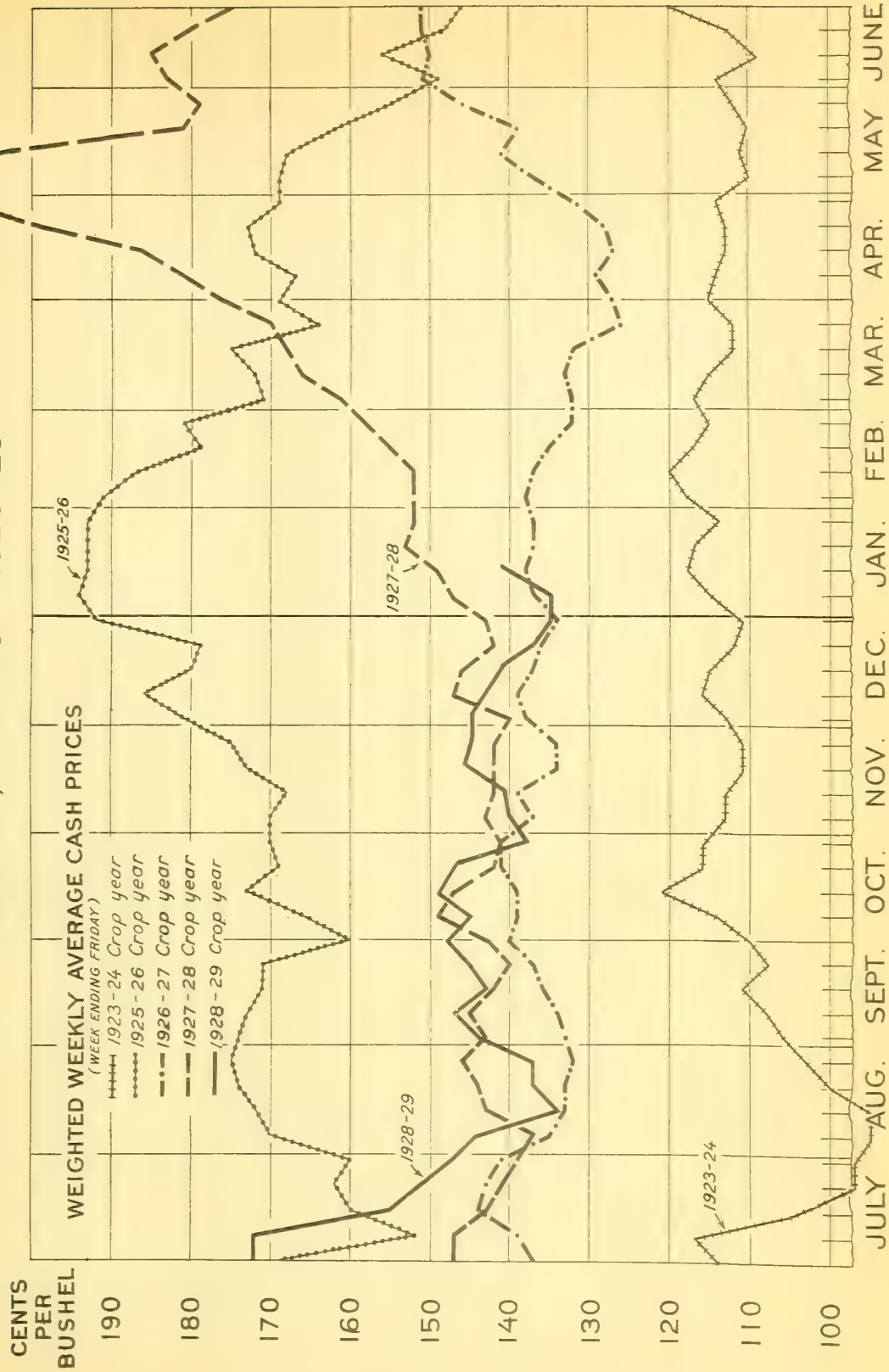
# WHEAT: PRICE OF No. 2 AMBER DURUM AT MINNEAPOLIS

## 1923-24, 1925-26 — 1928-29



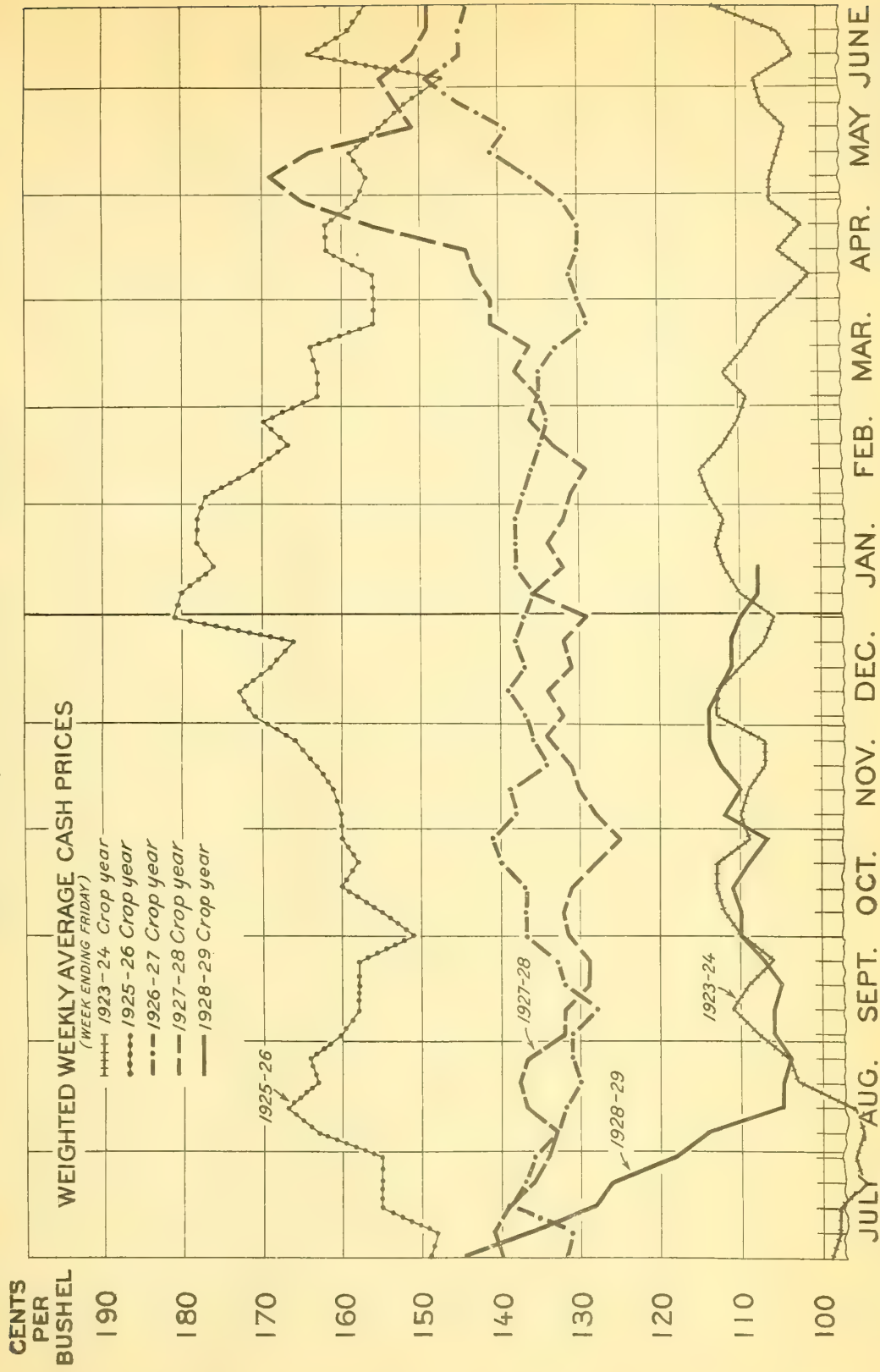


# WHEAT: PRICE OF NO. 2 RED WINTER AT ST. LOUIS 1923-24, 1925-26 — 1928-29





# WHEAT: PRICE OF NO.2 HARD WINTER AT KANSAS CITY 1923-24, 1925-26 —1928-29



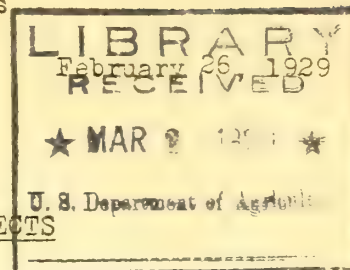




UNITED STATES DEPARTMENT OF AGRICULTURE  
Bureau of Agricultural Economics  
Washington

F.S.  
WH-32

FOREIGN NEWS ON WHEAT



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WORLD WHEAT CROP AND MARKET PROSPECTS

The revision of the Canadian estimates for 1927 and 1928 has made the most important change of the past month in the statistics of the world wheat crop, according to the Foreign Service of the Bureau of Agricultural Economics. The 1928 Canadian estimate was revised upward nearly 33,000,000 bushels to 533,572,000 bushels, but the 1927 Canadian estimate was revised upward even more, making a total of 479,865,000 bushels, which is nearly 40,000,000 bushels above the previous estimate. The world crop exclusive of Russia and China is now estimated at 3,780,000,000 bushels, as compared with 3,605,000,000 bushels in 1927.

The improvement in cash wheat prices which has taken place during the past six weeks appears to have been due principally to evidences of rapid consumption of the 1928 crop. Net shipments of wheat and flour from the principal exporting countries since July 1 amounted to 558,000,000 bushels as compared with 477,000,000 bushels during the corresponding period of last year. Commercial stocks of domestic grain in the United States have decreased from the peak they reached at the end of December until at the close of the week ended February 16 they had declined 18,000,000 bushels. Stocks of Canadian grain in the United States have also decreased, being 10,000,000 bushels below their highest point.

Evidence of likelihood of damage by severe winter weather, both in the United States and in Europe, appears thus far to have had little effect on cash prices, though there has been some reflection of the damage reports in the action of futures. Consequently, if winter killing of wheat proves to be severe, its influence is still to be felt especially in the cash market.



Wheat production in 1928

The 1928 wheat crop exclusive of Russia and China is now estimated at 3,780 million bushels as compared with 3,605 million bushels in 1927, an increase of 4.9 per cent. Both the 1927 and 1928 totals have been revised during the past month. The most important changes are the revisions in the estimates of the 1927 and 1928 crops in Canada. The 1928 estimate was revised upward nearly 33,000,000 bushels to 533,572,000 bushels and the 1927 estimate was revised upward nearly 40,000,000 bushels to 479,665,000 bushels.

Very few changes as to the size of the European crop have been reported and the total remains 9 per cent above 1927. Neither have additional reports been received from the Southern Hemisphere. No official estimate of the Argentine crop has been issued but trade papers in that country are estimating a crop of about 300,000,000 bushels as compared with the estimate of 255,000,000 bushels as indicated by the weather study made in this office. The estimate of 154 million bushels for the Australian crop has not been revised since our last report. The crop in New South Wales, however, was larger than previously expected. A report from Consul General Lawton at Sydney under the date of January 19 stated that the Government Statistician of New South Wales had received further returns which indicated that the New South Wales wheat harvest for the current year would reach 50,500,000 bushels. The previous estimate made by officials of New South Wales was 48,000,000 bushels. The wheat is reported to be of high quality and reflects the uniformly favorable weather that prevailed throughout harvesting time.

WHEAT: Production, average 1909-1913, annual 1925-1928

Countries reported in 1928 <sup>a/</sup>	Average 1909- 1913	1925	1926	1927	1928
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
United States .....	690,108	676,429	831,040	878,374	902,749
Canada .....	197,119	395,475	407,136	479,665	533,572
North America (3) ....	888,708	1,071,117	1,248,509	1,369,929	1,447,653
Europe (26) .....	1,338,897	1,376,729	1,191,438	1,249,225	1,366,736
Africa (6) .....	93,171	105,166	90,313	105,763	103,161
Asia (6) .....	387,827	382,847	379,294	389,636	337,452
Total N. Hemis. (42) ..	2,718,603	2,945,659	2,909,554	3,114,553	3,255,002
Southern Hemisphere (3) :	243,590	514,855	389,632	362,543	415,827
Total above count. (45):	2,962,193	3,260,714	3,299,186	3,477,096	3,670,829
Est. N. Hemis. total :	:	:	:	:	:
ex. Russia and China	2,759,000	3,067,000	2,979,000	3,181,000	3,305,000
Est. world total ex. :	:	:	:	:	:
Russia and China ...:	3,041,000	3,435,000	3,420,000	3,605,000	3,780,000
	:	:	:	:	:

<sup>a/</sup> Figures in parenthesis indicate the number of countries included.





Winter wheat area

The winter wheat acreage for the 1929 harvest in the countries which have thus far reported is about 3.5 per cent below last year. The total for 8 countries is 110,806,000 acres this year against 114,764,000 acres last year and 111,013,000 acres for the 1927 harvest. In 1927 and 1928 the winter wheat area of these countries represented approximately 47 per cent of the estimated world wheat acreage outside of Russia and China.

The area under winter wheat in the 5 European countries from which reports have been received, i.e., Bulgaria, Czechoslovakia, France, Italy and Rumania, is 36,218,000 acres against 35,819,000 acres in 1928 and 36,188,000 acres in 1927. The winter cereals for the greater part are well covered with snow but severe cold weather described as the worst in generations has extended over most of Europe but it is not possible to say at this time how much damage has resulted to the wheat seedings. The fall sowings were effected under favorable conditions in most countries and before this cold wave were in generally satisfactory conditions. In Spain, however, drought interfered seriously with the planting and growth of the new crop. The rainfall, when it began, varied in different parts of the country, and was generally considered less than was needed, although sufficient to save the crop from ruin.

The winter cereals in the Central Agricultural Region of Russia were damaged slightly by the cold weather in December, according to a report of the State Planning Commission. Further damage may have resulted in January as reports of cold weather and lack of snow cover have been received. The condition of the early sown grains in the Ukraine during January was good, while that of the late sown grains was only average. The Russian press appears to be alarmed over the alleged poorly organized preparations for the spring sowing campaign. One report stated that fully one-fifth of the tractors in the country were disabled by lack of parts.

No estimates of areas sown in North Africa have been received. A semi-official report dated January 25 stated that the good rains during January had proved beneficial and the crops were showing up well.

The first estimate of the wheat area in India is 30,409,000 acres against the first estimate of 30,632,000 acres last year and the final estimate of 32,211,000 acres.



WINTER WHEAT: Area in specified countries, average 1909-1913,  
annual 1926-1929 a/

Country	Harvest year				
	Average : 1909-1913 :	1926 :	1927 :	1928 :	1929 :
	1,000 :	1,000 :	1,000 :	1,000 :	1,000 :
	<u>acres</u> :	<u>acres</u> :	<u>acres</u> :	<u>acres</u> :	<u>acres</u> :
Canada .....	1,019 :	1,008 :	979 :	1,033 :	951 :
United States :	32,022 :	39,887 :	43,373 :	47,280 :	43,228 :
Bulgaria ..... <u>b/</u>	2,409 :	2,574 :	<u>b/</u> 2,653 :	<u>b/</u> 2,779 :	2,619 :
Czechoslovakia: <u>b/</u>	1,718 :	1,392 :	1,422 :	1,450 :	1,481 :
France .....	15,510 :	12,393 :	12,796 :	12,217 :	12,675 :
Italy .....	11,722 :	12,146 :	12,295 :	12,264 :	12,272 :
Rumania ..... <u>b/c/</u>	9,515 :	7,606 :	7,017 :	7,109 :	7,175 :
India .....	29,224 :	29,145 :	30,473 :	30,632 :	30,409 :
Total	103,139 :	106,151 :	111,013 :	114,764 :	110,806 :

a/ Areas of Canada, United States and India represent number of acres seeded. In case of other countries, areas prior to 1929 represent acres harvested, while 1929 figures presumably refer to area expected to be harvested when estimate was made.

b/ Total acreage c/ Four-year average.

### World trade in wheat

With net exports of wheat and flour from the principal exporting countries since July 1 running well ahead of last year, it appears that total exports for the crop year are certain to be well above those of the previous season. Total imports into Europe are not expected to be much below those of last year, while shipments to non-European countries are expected to be well above the previous year's level.

According to the Foreign Service of the Bureau of Agricultural Economics, developments since last October have made possible a revision of the preliminary estimates of imports and exports which were then published (Foreign News on Wheat, October 20, 1928, p.9). The present revision of these estimates makes little change in the totals of probable imports and exports as made at that time. Significant changes have, however, been made in the figures for some of the individual countries.

The probable import requirements of the various European countries have been changed but little. Great Britain's imports now appear likely to be about five million bushels smaller than was thought in October. Italy, on the other hand, is now expected to import around five million more bushels of wheat than was expected before. The course of events since October has confirmed the opinion then held, that low wheat prices combined with a short corn crop in Europe would result in European wheat imports for 1928-29 being maintained at nearly the previous year's level despite the fact that the 1928 wheat crop of Europe is estimated to be 12 per cent larger than the 1927 crop.





With the Canadian and Argentine crops estimated to be larger than was thought four months ago, it appears that exports of wheat from these countries will be somewhat larger than was expected in October. Exports of the United States give promise of being correspondingly lower. The free movement from other countries and the accompanying low prices have caused exports from the United States to be considerably below those of the previous year and prospects are that the movement during the remainder of the season will not be sufficient to reach the level of 1927-28. Exports from the Danubian countries to date have been running well below those of last season and indicate that the total from these countries for the crop year will be below the October figure.

Detailed tables showing exports and imports by countries for past years, for 1928-29 to date, and estimates for the crop year 1928-29 follow.

WHEAT, INCLUDING FLOUR: Net exports from principal exporting countries, years beginning July 1, 1923-24 - 1928-29

Country from: which exported	1923- 24	1924- 25	1925- 26	1926- 27	1927- 28	Estimate 1928-29: Min.:Max.:	Net exports reported July 1: 1927-: 1928- to : 28 : 29
	:Mil.:	:Mil.:	:Mil.:	:Mil.:	:Mil.:	:Mil.:	:Mil.:
	:bush.:	:bush.:	:bush.:	:bush.:	:bush.:	:bush.:	:bush.:
United States :	132:	255:	92:	206:	191:	150: 175:	Feb. 9: a/159: a/100
Canada .....	343:	194:	320:	305:	305:	375: 400:	Jan. 31: 189: 304
Russia .....	21:	1:	27:	49:	7:	0: -15:	Feb. 9: 5: b/
British India :	18:	45:	7:	9:	12:	-5: -20:	Feb. 9: 9:
Hungary .....	17:	15:	19:	21:	22:	15: 20)	: :
Rumania .....	c/ 6:	4:	8:	11:	5:	5: 7)	Feb. 9: 4: 2)
Bulgaria .....	c/ 2:	d/-2:	4:	2:	2:	1: 5)	: :
Yugoslavia ...:	c/ 6:	9:	12:	10:	1:	10: 15)	: :
Algeria .....	c/ 9:	d/-1:	5:	de/-1:	4:	2: 5:	Dec. 31: 1: 5)
Argentina .....	170:	123:	100:	140:	186:	160: 185:	Feb. 9: 63: 25
Australia .....	83:	124:	77:	97:	74:	90: 100:	Feb. 2: 37: 56
Total all	:	:	:	:	:	:	:
coun. listed:	807:	769:	671:	849:	809:	803: 877:	: 472: 55

a/ Exports through February 9 less imports through December.

b/ Less than 500 bushels.

c/ Year ended July 31.

d/ Net imports.

e/ Ten months.



WHEAT, INCLUDING FLOUR: Net imports into European importing countries,  
1923-24 - 1927-28 and estimates of probable imports, 1928-29 as  
indicated by reports to date

Country	Year beginning July 1					Estimate		Net imports reported		
	1923-	1924-	1925-	1926-	1927-	1928-	1929	July 1	1927-	1928-
	24	25	26	27	28	Min	Max	to	28	29
	Mil	Mil	Mil	Mil	Mil	Mil	Mil		Mil	Mil
	bush	bush	bush	bush	bush	bush	bush		bush	bush
Great Britain	210	216	188	218	194	195	215	Dec. 31	107	100
Italy	70	96	64	87	87	75	85	Jan. 31	36	52
Germany	30	71	56	94	92	75	85	Jan. 31	58	45
France	51	41	34	53	54	45	55	Nov. 30	35	21
Belgium	40	39	39	40	42	39	42	Nov. 30	19	19
Netherlands	27	26	27	28	31	28	31	Dec. 31	17	15
Czechoslovakia	13	23	19	21	21	20	24	Nov. 30	9	3
Greece	19	22	a/(22)	(20)a/	(20)	18	20	-	-	-
Irish Free State		19	18	19	18	18	20	Nov. 30	8	7
Austria	17	16	15	17	15	16	18	-	-	-
Switzerland	16	14	14	17	18	16	18	Dec. 31	10	8
Sweden	12	11	6	6	9	10	12	Dec. 31	5	4
Norway	6	5	6	6	6	5	7	Nov. 30	3	3
Denmark	9	6	6	7	11	10	12	Nov. 30	3	6
Finland	5	4	5	5	6	5	6	Nov. 30	b/ 2	b/ 2
Poland	3	14	c/ 2	7	8	5	10	Dec. 31	b/ 2	5
Total above	534	623	517	645	632	580	660		314	294
Principal non-										
European countries:						175	200			
Total above im-										
porting countries:						755	860			

a/ Rough approximation. b/ Less than 500 bushels. c/ Net export.

### United States Production and Exports of Wheat by Classes

#### Production

Estimated production of wheat by classes in the United States is based upon reports to the Division of Crop and Livestock Estimates and studies of the Bureau of Plant Industry.

In 1920, 1923 and 1924 questionnaires were sent out to voluntary crop reporters asking them to report on the percentage production by varieties in each county in the United States. Investigations by agricultural statisticians and local authorities in the different States were also made at the same time and were used in determining the final figures. The varieties were subsequently totaled into classes giving percent production by classes, by counties. These county figures were combined into a weighted average figure for each state, using Census acreages as weights. In determining the 1924 figure for each state, the 1924 preliminary Census acreages were used as weights.



Production estimates for 1920 and 1923 are based on the estimate of percentage classification by states for these years; the production estimates for 1921 and 1922 are based on percentage estimates interpolated from the 1920 and 1923 percentages, while those for years following 1923 are based on the 1924 percentage classification by states.

In estimating production by classes, the estimate of percentage classification by states was applied to the production figure by states, as reported by the Division of Crop and Livestock Estimates. The estimated total of classes by states is made to total to the Crop Estimate figure. Where several varieties of wheat are produced in a state, the estimated percentage of each class is not applied directly to the total production for that state, but is subdivided into spring and winter wheat. Then for spring wheat, except in those states where durum and hard red spring is reported separately by Crop Estimates, the percentage estimates for durum and hard red spring are totalled and this figure used as a base to determine the ratio of each class of spring wheat to the total. This procedure is also followed with winter wheat where more than one class is grown along with spring wheats.

In Pacific Coast States where much of the wheat is white and no durum is produced, the estimated percentage classification is applied to the total production figure of Crop Estimates as there are no estimates of how much white wheat is spring and how much is winter. For the states where the Division of Crop and Livestock Estimates reports the production of durum and other spring wheat separately, their figures are used.

As there are undoubtedly changes from year to year in the relative amounts of different varieties of wheat grown, these estimates cannot be considered to be very accurate. Changes in the proportion of wheat which falls into the various classes will result both from changes in the acreages sown to different varieties and from changes in the yield in different regions. Thus in western states where there are considerable areas of both "dry-land" and irrigated wheat, the areas without irrigation are likely to raise predominately hard wheats, while in the other areas much soft wheat will be grown. Since the dry-land crops are subject to wide variations in yield due to weather conditions, while the yield per acre of the irrigated areas is likely to be fairly constant, it is not<sup>to</sup> be expected that the relative production of soft and hard wheats will be constant from year to year. These limitations in the estimates of wheat production by classes should be borne in mind and the estimates should not be considered more than rough indications of the relative proportions which fall in each class.

#### Exports

A revision of figures showing estimated exports of wheat by classes from the United States changes somewhat the quantities of some classes. For the period (1920-1927), as a whole, the estimates of hard red spring and hard winter wheats were decreased from former published figures, while the estimate of durum has been increased in some years





and decreased in others. The estimates of soft red winter and white wheats have not been changed to any extent, except that the figures for white wheat were lowered in the first two years of the period.

These revised estimates of exports by classes are based upon United States inspections of wheat for export and the inspections of United States wheat in the Eastern Division of Canada, both of which are reported by classes and grades. The percentage which the various classes are of the total inspections in each group was determined by crop years. These percentages were applied to the total exports as reported by the Department of Commerce by dividing them into two groups, according to customs districts. One group comprises those districts where United States inspections are made of cargoes loaded for export and the other group those districts where cargo inspections include wheat destined for United States ports, as well as for foreign ports. The latter group consists of the districts of Buffalo, Duluth and Superior, Wisconsin, Michigan, Chicago, and Ohio, and may be termed Canadian border ports. The percentage of each class of wheat in the United States inspections for export was then applied to the exports from the first group of customs districts and the percentage of each class inspected in the Eastern Division of Canada to the exports from the second group or Canadian border ports.

Canadian inspections of United States wheat show practically no mixed wheat, but United States inspections for export show considerable mixed wheat especially in years prior to 1923-24. It is uncertain just what proportion of the various classes make up mixed wheat, but it was allocated as follows:

Kind	Atlantic ports	Gulf ports	Pacific ports
	<u>Per cent</u>	<u>Per cent</u>	<u>Per cent</u>
Durum .....	70		
Hard red spring ...	30		
Hard red winter ...	-	50	5
Soft red winter ...	-	50	5
White .....	-	-	90
Total	100	100	100

This allocation of mixed wheat through Pacific coast ports does not apply to the first two years, 1920 and 1921, when most of the wheat was exported as type sample and classed as mixed wheat. To arrive at some method of allocating this type sample to the various classes during these two years, the average percentage of each class of wheat exported through Pacific Coast ports during the six years following was determined and applied to the total exports for each of these two years.

These estimates of exports by classes are not all that is to be desired, especially in the earlier years when inspections of mixed wheat for export were large. With the limited data available as to the composition of mixed wheat exports, they probably are as good as can be obtained.



## WHEAT: Production and exports by classes, 1920-1928

Year beginning July	Production <u>1/</u>					
	Hard red spring	Durum	Hard red winter	Soft red winter	White	Total
	<u>1,000</u> <u>bushels</u>	<u>1,000</u> <u>bushels</u>	<u>1,000</u> <u>bushels</u>	<u>1,000</u> <u>bushels</u>	<u>1,000</u> <u>bushels</u>	<u>1,000</u> <u>bushels</u>
1920 .....	139,893	52,180	302,447	247,300	91,207	835,027
1921 .....	131,075	50,974	290,050	237,393	99,413	814,905
1922 .....	169,615	90,817	279,957	247,884	79,325	867,598
1923 .....	126,876	55,255	241,352	271,631	101,767	797,381
1924 .....	192,000	66,000	365,000	189,000	52,000	864,000
1925 .....	156,000	65,000	206,000	170,000	80,000	676,000
1926 .....	121,000	48,000	330,000	229,000	73,000	831,000
1927 .....	201,927	83,162	317,042	180,837	95,356	878,374
1928 .....	195,106	97,833	384,175	139,788	85,846	902,749

Exports 2/

1920 <u>3/</u> .....	13,421	31,957	162,544	59,296	21,070	293,263
1921 <u>3/</u> .....	25,613	25,645	99,651	29,274	28,138	208,321
1922 <u>3/</u> .....	13,975	43,188	61,165	22,770	13,853	154,951
1923 .....	2,068	13,836	26,984	10,464	20,441	78,793
1924 .....	21,567	33,811	120,578	8,333	11,201	195,490
1925 .....	4,958	26,834	9,677	2,563	19,157	63,189
1926 .....	2,174	21,970	73,123	31,352	27,631	156,250
1927 .....	6,145	30,946	65,184	13,452	30,271	145,999
1928 (July-Dec) ..	1,248	29,839	30,530	1,733	9,416	72,766

- 1/ Estimates of production by classes are based on surveys made in 1920, 1923, and 1924, of the percentage of different varieties of wheat grown, supplemented by investigation and judgement of cereal specialists. All estimates are the result of applying percentages for each state to the production of each state as estimated by the Division of Crop Estimates save that durum estimates of four states are used directly. As there are changes from year to year in the relative amounts of the varieties of wheat grown and also changes in the relative yields per acre, these figures should be considered to be only rough approximations.
- 2/ Total as reported by the Department of Commerce. Distribution by classes made on basis of United States inspections for export by ports and inspections of United States wheat in the Eastern Division of Canada.
- 3/ Estimates of exports of wheat by classes prior to 1923 are not as accurate as for later years due to the large amounts and composition of mixed wheat.





WHEAT: Yearly weighted average cash price per bushel of representative wheats at stated markets, 1920-1927

Year	No. 1	No. 2	No. 2	No. 2
beginning	:dk. no. spring:	amber durum	hard winter	red winter
July	: Minneapolis	: Minneapolis	: Kansas City	: St. Louis
	: Cents	: Cents	: Cents	: Cents
1920	201	199	183	213
1921	148	119	120	127
1922	126	107	113	121
1923	124	106	105	107
1924	158	156	135	159
1925	165	144	163	169
1926	151	155	135	138
1927	141	132	135	149

### Durum Wheat Situation

World durum wheat production in 1928 appears to have increased much more in comparison to 1927 than the world crop of all wheat. Preliminary estimates indicate a total durum crop for the important producing countries outside of Russia of about 235 million bushels. This is an increase of 25 per cent over the 1927 estimate of 189 million bushels and indicates the largest world crop on record. The totals, as given above, include estimates for the United States, Canada, Italy, Algeria, Morocco and Tunis. France and Spain also produce some durum wheat but, as far as can be determined, not in large enough amounts to change the trend of world production significantly. Increases have occurred in all of these countries except Morocco where the total wheat crop is smaller than in 1927.

Durum production in the United States, which is now the world's most important producer except Russia, is estimated at 98 million bushels compared with 80 million last year. Production in the four principal producing states is 93 million bushels compared with 79 million in 1927. Italy, which ranks next in importance and until recent years was a bigger producer than the United States, has a 1928 crop roughly estimated at about 57 million bushels, or about 40 per cent greater than in 1927. In Canada durum has been coming rapidly in favor in recent years, and production as indicated by inspections of Canadian grain has risen from 88 thousand bushels in 1919 to 15 million bushels in 1927, while 1928 gives promise of a 25 to 30 million bushel crop. No estimate is available on Russian durum production but reports of the total wheat crop have been unfavorable in the important durum producing regions and it is believed that there will be no exportable surplus of durum this year.

Foreign trade of the United States in durum wheat has been brisk in spite of the large crop in other countries. Our exports for the first six months of the current year amounted to approximately 30 million bushels compared with less than 22 million in the corresponding period of 1927. There



have been only three years since 1919 when United States durum exports for the entire crop year of twelve months have been greater than 30 million bushels. In 1920 exports amounted to 31.9 million bushels; in 1922 they were 43 millions and in 1924 nearly 34 millions. In addition our net exports of macaroni, spaghetti, vermicelli and similar products for the first six months this year have equalled 3,868,000 pounds, an increase of more than a third over the net shipments in that period of 1927-28, our year of heaviest exports up to the present time.

Algeria, which ranks second among exporting countries, had not in the first three months of the current year maintained last year's volume of durum exports, and there are no indications of any exports from Russia. Early reports from both Italy and France show larger imports than for the corresponding periods last year. French imports through November 30 were nearly twice as large as in that period of 1927-28.

Durum prices so far this season have been low, following the heavy production, but have not been as low as in 1922-23 when the United States durum crop was nearly as large as this year. Durum prices have not, however, fallen as much from the level of 1927-28 as have the prices of hard winter wheat (which is representative of our most important export wheat) and not quite as much as No. 1 northern at Minneapolis. A simple average of the monthly weighted price of No. 2 amber durum at Minneapolis in the three heavy marketing months September-November, is 110 cents for 1928 as against 126 in 1927 and 103 in 1922. No. 2 durum at Minneapolis in this period averaged 101 cents in 1928, 120 in 1927 and 92 in 1922. No. 2 amber in the three heavy marketing months averaged only 13 per cent below those months last year and No. 2 durum averaged 14 per cent below. The monthly prices of No. 2 hard winter at Kansas City in the three months August-October averaged nearly 18 per cent below 1927. The average of No. 1 northern wheat prices at Minneapolis for the months September to November was 17 per cent below 1927 in spite of the crop of hard red spring wheat being slightly smaller than last year, the price evidently being forced down by the influence of the large hard spring wheat crop in Canada, as well as by the large crop of other United States and foreign wheats.

The amber durum price rose 17 cents in January to an average price of 127 cents. This is 105 per cent of the price of No. 1 northern at Minneapolis, which is considerably above the usual range of 85 to 98 per cent. The only year when amber durum prices were consistently higher in relation to No. 1 northern than this usual range was 1926-27. In that year it averaged 106 per cent of No. 1 northern. The relatively high price of No. 2 amber durum this year is due primarily to the scarcity of this high quality durum wheat. Though No. 2 amber durum in January averaged 5 per cent above the price of No. 1 northern spring as compared with nearly 4 per cent below in January of 1928, all sub-classes and grades of durum averaged 14 per cent below all sub-classes and grades of hard red spring wheat in January of this year as compared with less than 10 per cent below in January of 1928.

A more detailed report on the durum situation including tables on which the above figures are based is to be released shortly.





Argentine Wheat Yields and Weather Conditions

Because of the absence of official estimates of the wheat production in Argentina this year, especial significance attaches to other estimates which have been made and are being made of the probable size of the crop. For the past two years the Foreign Service of the Bureau of Agricultural Economics has made estimates of the yield of the Argentine crop which are based upon weather conditions during the growing season. The estimate of the 1927-28 crop made last year corresponded very closely to the latest official estimate of yield per acre, but apparently either the acreage or the yield per acre, as officially estimated by the Argentine Government, is below what it should be, for statistics of the distribution of the 1927-28 crop indicates it to have been somewhere in the vicinity of 270 million bushels instead of 240 million bushels as officially estimated.

Weather conditions during the growing season of 1928 indicate a yield of around 12.2 bushels per acre in Argentina. If the acreage is 20,899,000 acres as officially estimated by the Argentine Government, this would indicate a total production of around 255 million bushels. The yield per acre, as estimated from weather conditions, is subject to a probable error of nearly one bushel per acre, and allowing for this variation, the total production should fall somewhere between 235 and 275 million bushels this year. This, of course, assumes that the acreage as officially estimated is correct. If the error of last year's estimate be due to the estimated acreage being too small, a somewhat larger production than 235 to 275 million bushels might be expected this year.

The foregoing estimates are based upon a study of weather conditions and wheat yields in Argentina for the period 1890 to 1919. The weather conditions used are reports of monthly temperatures and rainfall at certain points in Argentina. The weather data used in the study include the period May to December in each of the years. A considerable number of correlations were run, using different combinations of these data. Some were designed to aid in forecasting yield as early as November or December, while other correlations include later data for making more accurate estimates of the probable yield.

The particular correlation on which the estimate of 235 to 275 million bushel crop for 1928-29 is based, uses temperature data from June to November, and rainfall data from August to December. The weather factors included are as follows: (1) Average monthly temperature June to July; (2) Average monthly temperature August to October; (3) Total rainfall August to October; (4) Average temperature November; (5) Rainfall November; (6) Rainfall December. Of these various factors, the temperature from August to October has the greatest influence in the estimate. Rainfall in December is about half as important, and temperature in November a little less than half as important in influencing





the estimate as the August to October temperature. The other three factors play a much smaller part in determining the estimate of yield per acre.

### Wheat Prices

As a result of the upswing of prices which began at about the turn of the year, wheat prices averaged considerably higher in January than in December. The average price of all classes and grades at six markets in January was 114 cents per bushel as compared with 107 cents per bushel in December. By the middle of January the prices of most classes of wheat were above any levels reached since the decline of last July and August, and during the past four weeks they have been maintained at about the levels prevailing the middle of January. Indeed, the average price of all classes and grades for the week ended February 15 was 119 cents per bushel as compared with 117 cents per bushel for each of the two previous weeks, 118 cents per bushel for the week ended January 25, and 115 cents for the week ended January 18.

The January advance was shared by each of the classes of wheat. No. 2 hard winter at Kansas City rose from an average of 108 cents per bushel for the week ended January 4 to 119 cents per bushel for the week ended January 25. The two following weeks it dropped to 117 cents per bushel and then rose to 118 cents per bushel for the week ended February 15. No. 1 dark northern spring at Minneapolis advanced from 120 cents per bushel for the week ended December 28 to 136 cents per bushel the week ended February 15 - each week, save one, during the interval seeing an advance in the average price. No. 2 red winter at St. Louis, which for the week ended January 4 was within one cent of its lowest point for the season, rose from 135 cents per bushel to 144 cents for the week ended February 1. The following week it was 5 cents lower, but for the week ended February 15 averaged 141 cents per bushel. The weighted average price of No. 2 amber durum wheat continues to be erratic largely because of the very small number of sales and the widely differing qualities which fall in that grade. On the average, all grades of durum have risen about 18 cents per bushel since the latter part of December. Protein premiums on spring wheats have fluctuated considerably, but averaged <sup>at</sup> about the same levels as they did a month ago. On winter wheats premiums have declined somewhat.

The average price of all classes and grades of wheat for the week ended February 15 was only 12 cents below the corresponding figure for last year, while last September all classes and grades averaged 20 cents below the previous year. As compared with last year, the winter wheats, especially hard winter wheats, are in the most unfavorable position. For the week ended February 15 No. 2 hard winter at Kansas City was 15 cents below the previous year's figure, and No. 2 red winter at St. Louis was 14 cents below. No. 1 dark northern spring, on the other hand, at 136



cents per bushel, was only 4 cents below the average for the corresponding week of last year. The price of No. 2 amber durum was 2 cents per bushel above a year ago, while all durum wheats averaged 11 cents below the previous year's figures.

The advance in cash wheat prices during the past six weeks appears to have been due principally to the rapid disappearance of the large supplies of wheat which have been shipped from exporting countries. These shipments since July 1 have been 81 million bushels more than during the corresponding period of last season. Meanwhile stocks of wheat in the United States have been decreasing. From the high point which was reached at the end of December, commercial stocks of domestic wheat in the United States have declined about 18 million bushels. While there has been considerable talk of damage to winter wheat by severe weather, this does not seem thus far to have had much effect on the price of cash wheat. Though future prices have been influenced somewhat, it appears that the plentiful supplies of cash grain, together with the uncertainty as to whether there has actually been much winter killing, have prevented the severe weather conditions from having much effect on cash prices. The extent of winter killing is still unknown, and its effect remains to be recorded in the prices of cash wheat.

The wheat market during the next few months appears likely to be influenced very largely by prospects for the 1929 crop, together with evidences of the rates of absorption of the 1928 crop. When more is known of the extent to which winter wheat has been damaged both in the United States and in Europe by the severe weather, prices may be expected to reflect the news. The outturn of the Argentine crop and shipments from Canada following the opening of navigation on the Great Lakes may have a depressing tendency, if it does not appear by that time that winter damage has actually been severe. Severe winter killing, of course, would tend to raise prices above present levels.

At the present time soft winter wheats and, to a lesser extent, hard spring wheats appear to be in a relatively stronger position than do the other classes. Soft winter wheat is on a domestic basis as a result of the short crop of 1928. Furthermore, plantings have been small, and another short crop is in prospect for 1929 even if there is not much winter killing. While there is no likelihood of so great an advance as took place during the spring months of last year, it does not seem likely that the soft winter wheat market will weaken much even in the absence of winter killing. Since there is usually a limited supply of high grade hard spring wheats in the United States, and since the 1928 crop was somewhat smaller than that of 1927, the better qualities of hard spring wheats are likely to remain in a somewhat stronger position than the hard winter wheats.





WHEAT: Weighted average cash price per bushel at stated markets

Week ended	:All classes: No. 2 : No. 1 : No. 2 :Durum, all : No. 2 :and grades :hard winter:dk.n.spring:amber durum:sub-classes:red winter :six markets:Kansas City:Minneapolis:Minneapolis:and grades : St. Louis											
	:1927-:1928-:1927-:1928-:1927-:1928-:1927-:1928-:1927-:1928-:1927-:1928-											
	: 28 : 29 : 28 : 29 : 28 : 29 : 28 : 29 : 28 : 29 : 28 : 29											
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
July 6...	146	137	141	136	158	153	156	132	146	125	147	172
13...	143	132	139	128	160	149	156	124	146	121	143	155
20...	138	129	136	126	156	146	153	119	144	117	141	151
27...	136	122	134	113	161	138	149	117	141	113	139	147
Aug 3...	134	118	133	114	155	141	152	115	139	111	137	144
10...	139	108	137	105	160	127	164	103	147	105	143	134
17...	138	108	138	105	154	125	161	108	147	104	144	137
24...	137	108	137	104	149	123	143	109	135	103	146	137
31...	134	110	132	106	144	122	134	109	129	101	143	144
Sept 7...	133	110	132	106	143	125	135	104	128	100	145	147
14...	128	107	129	105	136	123	126	104	121	96	142	143
21...	126	108	129	107	134	126	122	107	119	95	140	145
28...	127	111	131	110	136	130	123	109	117	97	143	148
Oct 5...	126	107	132	110	133	125	122	109	116	94	149	145
12...	128	109	131	111	136	124	126	113	119	96	147	149
19...	126	105	128	109	137	124	124	108	116	92	142	147
26...	121	105	125	107	131	119	120	115	111	93	141	138
Nov 2...	123	110	128	112	132	124	121	121	114	96	143	140
9...	126	108	130	110	135	122	130	114	122	97	142	141
16...	127	109	131	113	133	123	130	110	123	96	142	146
23...	127	110	134	114	134	125	128	118	122	97	142	145
30...	126	109	132	114	134	125	127	116	119	94	140	145
Dec 7...	128	109	134	113	137	124	132	117	122	93	147	143
14...	129	107	131	111	137	121	132	107	123	89	146	141
21...	128	107	132	111	136	123	133	110	123	90	142	137
28...	128	106	129	110	136	120	135	109	122	92	143	135
Jan 4...	132	105	136	108	142	123	138	111	126	91	147	135
11...	130	108	132	108	139	125	132	---	123	95	149	141
18...	131	115	134	114	142	130	129	122	122	103	153	141
25...	131	118	132	119	145	132	127	138	120	107	152	142
Feb 1...	131	117	131	117	143	131	128	132	121	107	152	144
8...	130	117	129	117	140	134	126	132	118	107	152	139
15...	131	119	133	118	140	136	127	129	120	109	155	141
22...	134		136		145		129		123		158	
Mar 1...	135		135		145		133		124		161	
8...	137		138		148		133		126		166	
15...	135		136		145		131		125		168	
22...	137		141		147		135		128		170	
29...	137		141		147		135		127		176	



## WHEAT: Receipts at 13 primary markets of United States, 1927 and 1928

Month	Monthly		Cumulative from July 1	
	1927-28	1928-29	1927-28	1928-29
	<u>1,000 bush</u>	<u>1,000 bush</u>	<u>1,000 bush</u>	<u>1,000 bush</u>
July .....	52,996	64,846	52,996	64,846
August .....	78,909	78,372	131,905	143,218
September .....	79,962	72,579	211,867	215,797
October .....	71,696	82,346	283,563	298,143
November .....	42,394	40,901	325,957	339,044
December .....	23,903	31,967	349,860	371,011
January .....	22,313	21,307	372,173	392,318
February .....	21,403		393,576	
March .....	24,639		418,215	
April .....	17,483		435,698	
May .....	24,718		460,416	
June .....	13,883		474,299	

Compiled from daily receipts as published in the Daily Trade Bulletin.

WHEAT: Ground by mills in United States reporting to  
United States Department of Commerce

Month	Monthly		Cumulative from July 1	
	1927-28	1928-29	1927-28	1928-29
	<u>1,000 bush</u>	<u>1,000 bush</u>	<u>1,000 bush</u>	<u>1,000 bush</u>
July .....	38,547	39,077	38,547	39,077
August .....	44,099	47,528	82,646	86,605
September .....	48,131	47,975	130,777	134,579
October .....	49,792	52,853	180,568	187,433
November .....	44,882	45,247	225,450	232,680
December .....	42,604	42,181	268,055	274,861
January .....	42,303		310,357	
February .....	41,140		351,497	
March .....	44,748		396,245	
April .....	38,986		435,231	
May .....	39,910		475,140	
June .....	35,633		510,774	

Compiled from monthly reports of the Bureau of the Census, United States Department of Commerce.



WHEAT: Commercial stocks in United States and United States grain  
in Canada

Beginning of month and end of week		Domestic grain in United States		Canadian grain in United States		United States grain in Canada	
		1927-28	1928-29	1927-28	1928-29	1927-28	1928-29
		1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
July	.....	21,888	39,315	7,472	11,132	1,362	2,558
August	.....	45,008	65,241	5,002	13,610	1,105	2,258
September	.....	65,642	96,442	3,410	3,789	4,249	2,546
October	.....	82,514	113,815	3,784	7,548	4,560	3,295
November	.....	93,330	140,337	12,636	18,291	6,640	9,083
December	.....	95,013	140,172	31,375	33,902	5,187	8,343
January	.....	91,962	---	35,764	---	3,933	---
February	.....	81,415	---	25,649	---	2,285	---
March	.....	75,750	---	19,260	---	1,761	---
April	.....	71,248	---	11,848	---	1,096	---
May	.....	63,990	---	6,597	---	863	---
June	.....	49,616	---	11,549	---	2,314	---
October	6....	87,139	122,073	4,516	8,208	6,652	4,508
	13....	90,082	129,807	5,310	11,153	7,004	5,485
	20....	93,042	135,548	9,098	12,682	6,397	7,476
	27....	93,046	139,302	8,617	14,257	7,358	8,908
November	3....	93,330	140,337	12,636	18,291	6,640	9,083
	10....	95,146	140,557	15,221	22,916	8,215	8,380
	17....	94,888	138,369	17,233	25,616	6,452	7,328
	24....	95,898	138,908	23,884	28,468	6,174	7,719
December	1....	95,013	140,172	31,375	33,902	5,187	8,343
	8....	94,458	139,830	37,117	42,615	4,476	8,060
	15....	94,793	141,349	37,565	46,027	4,221	8,024
	22....	94,007	142,092	35,453	45,753	3,859	8,801
	29....	91,962	144,351	35,764	46,717	3,933	7,328
January	5....	86,417	142,326	33,823	46,562	3,508	6,384
	12....	84,113	138,685	31,459	44,555	2,951	5,532
	19....	81,318	134,804	29,582	42,504	2,963	5,356
	26....	79,152	133,262	28,703	40,722	2,802	4,450
February	2....	78,203	129,646	25,649	38,327	2,285	3,972
	9....	77,347	126,869	23,782	37,406	2,096	3,551
	16....	75,823	126,551	22,469	36,511	2,181	3,373
	23....	75,161	---	21,159	---	1,696	---
March	2....	72,858	---	19,259	---	1,680	---
	9....	71,927	---	16,350	---	1,432	---
	16....	71,125	---	15,817	---	1,151	---
	23....	69,766	---	13,334	---	1,096	---





WHEAT, INCLUDING FLOUR: Net exports from principal exporting countries  
and net imports into European importing countries,  
1927-28 and 1928-29

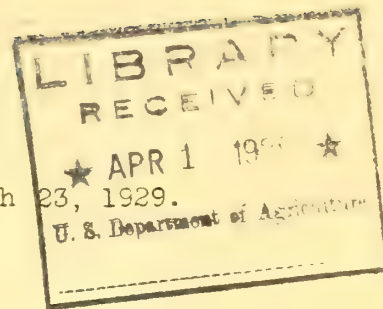
1927-28 and 1928-29			
Exports		Imports	
Country	Net exports reported	Country	Net imports reported
July 1	1927-28	July 1	1927-28
to	1928-29	to	1928-29
	Million		Million
	bushels		bushels
United States...	Feb 9 : 159	Great Britain ...	Dec 31: 107
Canada .....	Jan 31 : 189	Italy .....	Jan 31: 36
Russia .....	Feb 9 : 5	Germany .....	Jan 31: 58
British India ..	Feb. 9 : 9	France .....	Nov 30: 35
Hungary .....	( : )	Belgium .....	Nov 30: 19
Rumania .....	(Feb 9 : 4	Netherlands ....	Dec 31: 17
Bulgaria .....	( : )	Czechoslovakia ..	Nov 30: 9
Yugoslavia .....	( : )	Irish Fr. State..	Nov 30: 8
Algeria .....	Dec 31 : 1	Switzerland ....	Dec 31: 10
Argentina .....	Feb 9 : 73	Sweden .....	Dec 31: 5
Australia .....	Feb 2 : 37	Norway .....	Nov 30: 3
	: :	Denmark .....	Nov 30: 3
	: :	Finland .....	Nov 30: 2
	: :	Poland .....	Dec 31: 2
	: :	Total important:	: :
Total .....	: 477	European coun. :	: 314
	: :		: 294

a/ Less than .01 million bushels.

b/ August-December.



UNITED STATES DEPARTMENT OF AGRICULTURE  
Bureau of Agricultural Economics  
Washington



March

23, 1929.

U. S. Department of Agriculture

F. S.  
WH-33

FOREIGN NEWS ON WHEAT

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WORLD WHEAT CROP AND MARKET PROSPECTS

The prospective wheat area for 1929 continues to be below that of 1928. To date 13 countries including Canada, the United States and eight European countries have reported on area sown to winter wheat, and the total acreage of these countries is 116,411,000 as compared with 121,583,000 acres for the 1928 crop. This is a reduction of 4.3 per cent. In Canada due to the unusually dry fall and winter weather, prospects are that the spring sowings will take place under unfavorable soil conditions. Though there is still much uncertainty about the condition of winter wheat, the time is approaching when it can be fairly well known, and there are indications of rather severe winter killing in some parts of Europe.

Cash wheat prices made further improvement during February. For the week ended February 22 prices in the United States were at the highest levels they have reached since July. There has been some recession since that time, prices to the middle of March averaging about three cents below the peak. Evidences of rapid consumption of wheat continue to be an important feature of the situation. Net shipments of wheat and flour from the principal exporting countries since July 1 amount to 634 million bushels as compared with 520 million for the corresponding period of last year. There has been some





accumulation of stocks in northern European ports due to the ice bound condition of canals and rivers and the difficulty of moving supplies inland. This, however, appears to be a temporary situation and there is no indication of a generally heavy accumulation of stocks in the importing countries.

There appear to be smaller stocks of grain on farms in Canada than at this time a year ago. The total of stocks of Canadian wheat in country and terminal elevators, including amounts in both Canadian and United States markets, is considerably larger than a year ago, but the indicated reduction in farm holdings almost counterbalances this, and total stocks appear to be but little more than they were a year ago.

#### Wheat production in 1928

The 1928 wheat production exclusive of the crop in Russia and China has been estimated at 3,780 million bushels as compared with 3,605 million bushels in 1927. These totals remain the same as published in our February release. Only minor revisions in estimates have been received during the past month and have tended to offset one another. The total 1928 crop reported for 47 countries was 3,683,816,000 bushels, which was 5.4 per cent above the 3,494,670,000 bushels in those countries in 1927. The only new figures added during the month were the estimates of the production in Sweden and the Irish Free State which were 19,470,000 bushels and 1,186,000 bushels respectively. The total 1928 European crop was 1,380,361,000 bushels against 1,266,799,000 bushels in 1927, or an increase of nine per cent. No official estimate of the Argentine crop has yet been issued. Neither have any additional estimates or revisions been received for other Southern Hemisphere countries during the past month.

Despite the fact that the 1928 wheat crop in Russia was estimated at 114 million bushels above the 1927 crop, procurements have fallen behind last year. During the first seven months of the present season, wheat procurements were 3,827,000 short tons against 4,026,000 short tons during the same period last year. Data on February procurements are not available but collections in North Caucasus declined 33 per cent and in Siberia 15 per cent. Siberia this year has played a more significant



role in grain collections than in previous years, due to the excellent grain crops. Farm stocks of grain in the U.S.S.R. are said to be sufficient but the procuring organization is failing, due mainly to the disparity between the official procuring prices and open market prices. The Russian press also complains of the poor organization of the distribution of industrial goods in the procuring regions.

#### Area and condition of the 1929 crop

The 1929 wheat area in 13 countries has been reported at 116,411,000 acres against 121,583,000 acres in 1928. Last year these countries represented approximately 50 per cent of the estimated total winter and spring wheat acreage of the world, outside of Russia and China. The area reported for 8 European countries shows a decrease from last year, being 36,687,000 acres against 36,940,000 acres in 1928.

The winter in European countries has been unusually severe and although the cold weather was accompanied by heavy falls of snow in most regions, it now appears that winter killing has been heavy. Definite reports on winter killing will not be possible for several weeks. Mr. Steere at Berlin reports that the winter cereals in the Danube basin have suffered considerable damage, especially in Rumania. According to a report of the Rumanian Government one-half of the winter grain acreage was without snow cover during the recent severe frost. The latest reports on crop conditions in western Europe have been more optimistic. The "El Norte de Castilla", a Spanish publication, stated that in mid-winter farmers had feared that the wheat would not germinate but the crops have germinated fairly well, and at present the fields show a satisfactory stand. Spring field work has been delayed nearly everywhere on the continent.

Reports of crop conditions in North Africa are favorable on the whole, but there are some complaints of loss of color and slow growth in consequence of unfavorable weather. The second estimate of the area sown to wheat in India is 31,159,000 acres, which is 173,000 acres below the corresponding estimate last year. Climatic conditions were favorable at sowing time but rain is needed, especially in the Punjab and the United Provinces which together represent more than half of the total wheat area of India. A total area of 154,000,000 acres to be sown to spring crops this year on the individual peasant farms in the U.S.S.R. is called for by the plan of the Soviet Government, compared with 140,000,000 acres sown in the spring of 1928. Numerous factors, however, are operating to retard this increase, according to Agricultural Commissioner Steere. Of the total, 30,000,000 acres are to be sown in Ukraine, the important wheat and barley region of the U.S.S.R. An earlier report from Mr. Steere placed the 1928-29 winter sown area in the Ukraine at 12 per cent below the 1927-28 area. The winter sown area in North Caucasus, an important winter wheat area, was reported to be 18 per cent below last year.



WINTER WHEAT: Area in specified countries, average 1909-1913,  
annual 1926-1929

Country	Harvest year					Percentage 1929 is of 1928
	Average 1909-13	1926	1927	1928	1929	
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	Per cent
Canada a/.....	1,019	1,008	979	1,033	951	92.1
United States a/...	32,022	39,887	43,373	47,280	43,228	91.4
Total .....	33,041	40,895	44,352	48,313	44,179	91.4
France .....	15,510	12,393	12,792 b/	12,801	12,675	99.0
Italy .....	11,722	12,146	12,295	12,264	12,272	100.1
Czechoslovakia ....	c/ 1,718	1,392	1,422	1,450	1,481	102.1
Bulgaria .....	c/ 2,409	2,574 c/	2,658 c/	2,779	2,619	94.2
Rumania .....	cd/ 9,515	7,606	7,017	7,109	7,173	100.9
Lithuania .....	211	148	173 c/	395	346	87.6
Latvia .....	85	76	106	120	96	80.0
Finland .....	8	23	27	22	27	122.7
Total Europe (8) ..	41,178	36,358	36,490	36,940	36,687	99.3
Algeria .....	3,521	3,741	3,469	3,599	2,656	73.8
Tunis .....	1,310	1,840	1,408	1,399	1,730	123.7
India, second estimate .....	29,224	29,711	31,184	31,332	31,159	99.4
Total above countries (13) ..	108,274	112,545	116,903	121,583	116,411	95.7
Estimated world total, winter and spring acreage excluding Russia and China .....	204,200	232,500	236,900	242,100		

a/ Area sown. b/ Estimate as published in January, 1928. The estimate as published in May, 1928 was 12,217,000 acres. c/ Total acreage. d/ Four year average.





Continental European situation

Present prospects indicate the continuance of the heavy absorption of wheat in Continental Europe, according to advices from the Berlin Office of the Bureau of Agricultural Economics. The continental wheat trade and flour mills have continued to follow mostly a policy of hand-to-mouth buying during February. Nevertheless, this steady small volume of buying for current requirements has been moving large over-seas shipments into trade channels and into consumption quite steadily, save for some disturbances due to the severe winter. Thus far Italy and the Mediterranean countries have been importing more than in the previous season, while Northern and Central Europe have been importing at a less rapid rate than a year ago, and drawing upon the increased domestic crops for a larger share of their requirements than during the corresponding part of last season. There are indications that the Northern European countries have practically taken up the increase in this year's crop and that import requirements for the balance of the season may closely approximate those of last year. On the other hand, some of the Mediterranean countries, especially Italy, are likely to import less from now on, if current beliefs in the grain trade are borne out.

The continued hesitancy to make important commitments which was exhibited by continental grain buyers during February persisted in spite of some upward movement in prices. Large wheat purchases by India and China, the record shipments to the Far East, and talk of probably importation of wheat flour by Russia, as well as rumors of unfavorable weather conditions in the United States and Europe, have failed to increase forward buying. Generally speaking, speculative interest in the wheat market appears to be at a low ebb.

The European situation with regard to stocks of wheat is somewhat uncertain, having been considerably upset by the effects of the severe winter. Stocks of domestic grain in Northern and Central European countries do not now appear to be much different from a year ago in spite of the larger crop. The reduced rate of importation into this section of Europe so far this season indicates a larger than usual disappearance of the domestic crops, and in Germany, where statistics are available, farm stocks are indicated as being close to last season's level. At the northern European ports there has been some accumulation of stocks, especially at Rotterdam, as a result of the freezing up of all inland waterways and the general disruption of railway traffic movement. Considerable foreign grain en route from the ports to the interior has also been blocked by the ice, and some domestic grain stored in barges and at other points has been practically isolated. The net result has been that interior stocks, both in trade channels and in the hands of mills, have been reduced to an unusually low point.

In France there seems every reason to believe that stocks are not above last year, but in all probability below, as a result of reduced imports during the first half of the season. In Italy, on the other hand, heavy importations appear to have caused some accumulation of wheat in the ports, especially at Venice. Czechoslovak and Austrian reports speak of plentiful current supplies of wheat at the flour mills, although flour



stocks are reported to be considerably reduced. Reports from the surplus regions of the Danube, particularly Hungary and Yugoslavia, indicate that large quantities of wheat are still available for export, but this situation is not extraordinary and it is not to be expected that supplies in these regions will exert noticeable pressure on the markets.

That Continental Europe may be counted upon as a heavy consumer and importer of wheat during the remainder of the season, is indicated by numerous factors. In the first place, the apparent disappearance of wheat in some of the most important consuming countries seems to be fully as large, and possibly larger than last year, when the total disappearance was considerably increased by the feeding to livestock made necessary by the unusually poor quality of domestic grain. Reports both from trade and agricultural sources indicate that high prices of feedstuffs and the low prices of wheat are causing more than usual feeding of wheat again this year. Feeding of wheat to livestock beyond a normal amount will probably not consume any important fraction of the crop, but in the aggregate may mean additional import requirements of seven hundred thousand tons for the Continent as a whole. Extensive frost damage to potato stocks, estimated at from 20 to 30 per cent of remaining supplies, according to reports from different parts of the Continent, may also tend to increase wheat requirements later in the season, but the significance of this development should not be overestimated, as this year's potato crop was large and requirements for livestock feeding purposes are smaller than last year. Another factor of importance is the short corn crop in parts of southern Europe, where this article is an important item of human consumption. Generally speaking, the unusually large world supplies of wheat and the low prices prevailing will tend to push more wheat into consumption than would normally be the case, and Continental imports seem more likely to exceed expectations than to fall below.

European crops, except in the case of Denmark and Yugoslavia, have not been changed by recent estimates. The Danish crop is considerably larger than indicated by earlier estimates and the Yugoslav crop has been revised downward nearly to the figure that trade and other reports have been accepting. The Rumanian crop still appears to be no larger than 3,000,000 tons, although the official estimate of 3,144,000 tons has not yet been altered.

The probable import requirements of the leading deficit countries on the Continent now promise to be generally somewhat larger than was expected at the end of December. An increase indicated for Germany is based primarily upon rapid disappearance of farm supplies and the continued relatively heavy importation from overseas. Italy's probable requirements seem larger because of the unusually heavy importation of grain during the first seven months of this season. Whether the short corn crop is responsible for Italy's heavy importations to date is not yet apparent. France has been a relatively light importer so far this season, but seems to have large uncovered requirements yet to be met by importation. Unless French consumption falls materially below last year, which seems unlikely in a year of such low wheat prices, imports during the remainder of the season will be large.





Among minor importing countries, the case of Denmark is of considerable interest this season. Denmark has a 30 per cent larger crop than last year and would normally be in the market for only moderate supplies of overseas grain. Danish trade figures indicate, however, that important quantities of wheat are being imported from Continental sources, principally Germany and Sweden. It seems apparent that some, possibly most, of this importation is feed wheat, as the indicated total disappearance within Denmark to date has a precedent only in last year, when the Danish crop was of poor quality and an important portion suitable only for feeding purposes.

Trade reports indicate that some of the Baltic states will have larger bread grain import requirements than usual this season, because of unsatisfactory rye crops. This situation will probably mean increased wheat imports, but should also be reflected in larger takings of rye from Germany and possibly Poland. Both Spain and Portugal, because of short crops, will assume greater importance as wheat importers this year than for many years past. A reliable estimate of the probable imports is difficult because of the lack of accurate and up-to-date trade statistics for these countries.

#### The Frosts in Continental Europe

The exceptionally cold winter in Continental Europe with frosts extending into districts where frosts seldom occur, has caused many to expect frost damage, especially in those sections with little or no snow cover. In most parts of the Continent where frosts occurred and lasted a long time, a good snow cover seems to have existed. In some parts of these countries, however, snow cover was light and disappeared the latter part of February. Late reports indicate that thawing and freezing in western Europe, where the snow cover has since disappeared, is expected to cause unusual winter damage. Unconfirmed trade reports the latter part of February also anticipated unusual damage to the wheat crop (10 - 25 per cent) in Muntenia, Dobrogea and southern districts of Moldavia and Bessarabia, where, with even greater damage in Constantza and Caliacra, insufficient snow had fallen or the snow cover was damaged by January thaw.

Italy, Spain and parts of southern France, where frosts seldom occur, experienced heavy frosts. It is also true that the wheat in southwestern Europe is not generally so winter resistant as the kinds grown in Central Europe. In France, according to reports, thawing and freezing weather has caused damage to be feared. There is considerable possibility of unusual floods in spring when the heavy accumulation of snow and ice enters the thawing period. All reports indicate that spring field work will be held up, as it will take a long time until the soil, which was frosted in many parts as deep as one meter, will be dry enough for preparatory work.



Germany

Reports of considerable feeding of wheat and rye continue. Disappearance figures to February 15, indicate a disappearance of both wheat and rye equal to the first part of last year when the use of wheat for feed appears to have been unusually heavy owing to much poor quality grain. Figures on the amount of wheat and rye together on farms for sale indicate but a moderately larger amount than a year ago from the standpoint of the country's total requirements. Figures on the amount available for sale this year have declined more rapidly than last year and indicate that the surplus production over last year has been steadily disappearing. The amount to be kept on farms is somewhat greater than a year ago which appears to indicate a greater farm disappearance for the remainder of the year than last year.

Decreased imports of corn and barley the first half of the year do not in themselves indicate increased feeding of bread grains as they are largely accounted for by decreased number of hogs and a somewhat larger domestic barley crop. Some feeding sections more dependent on important feed grains, however, may have been forced to use larger supplies of domestic bread grains.

GRAIN: Stocks on German farms, January 15 and February 15, 1928 and 1929

## January 15

Year and crop	Stocks			Percentage of crop		
	Total	Available:	To be	Total	Available:	To be
	stocks	for sale:	kept	stocks	for sale:	kept
	1,000	1,000	1,000	Per cent	Per cent	Per cent
	bushels	bushels	bushels			
1928						
Wheat .....	58,800	48,500	10,300	48.8	40.2	81.7
Winter rye ..	105,500	49,300	56,200	39.8	18.6	21.2
1929						
Wheat .....	66,700	52,500	14,200	47.1	37.1	10.0
Winter rye ..	152,800	83,300	69,500	46.2	25.2	21.0

## February 15

1928						
Wheat .....	48,600	39,000	9,600	40.3	32.4	7.9
Winter rye ..	80,600	34,200	46,400	30.4	12.9	17.5
1929						
Wheat .....	47,000	34,800	12,200	33.2	24.6	8.6
Winter rye ..	121,000	61,500	59,500	36.6	18.6	18.0

The German grain market during February was greatly influenced by extremely cold weather and transportation difficulties. Traffic on inland waterways came to a complete standstill and numbers of ships and barges loaded with grain were caught in the ice. Movements in the ports were also greatly hindered, and stocks tended to accumulate, especially at Hamburg.





The trade stocks of grain as a consequence are unevenly distributed over the country, with abundant stocks in some places and lack of supplies in others. Prices for both wheat and rye increased slightly from the beginning of February to the middle of the month, but during recent days prices have again decreased to a slight extent.

Both flour mill and trade buying of wheat were quiet in February, the volume of business being smaller than in the preceding month. In spite of reduced market arrivals in the important consuming centers, however, it was possible to cover all needs, even though the flour market was fairly active during the period and flour prices increased slightly more than the grain price did. A shortness of potatoes resulting from the freeze may have had a stimulating influence on flour consumption.

An unfavorable factor in the market situation was the fact that export business was much more limited than in the foregoing months. It became very difficult to fill export contracts because shipments could not arrive from the interior of the country and loading was difficult. In January and February, in fact, the Hamburg price for German wheat was 12 to 13 cents per bushel higher than in Berlin. The fact that Poland has abolished the export duty on rye also had an unfavorable influence on the market.

#### The Canadian situation

Though elevator stocks of Canadian wheat are considerably larger than a year ago, total stocks including amounts in the United States appear to be only about 18 million bushels greater. Stocks at country and terminal elevators in Canada and in the United States totalled 203 million bushels on March 1 of this year against 164 millions a year ago. Assuming the estimate of the crop to be correct, receipts at country points to date indicate that of a total supply (crop and stocks) of 538 million bushels August 1, there were 109 millions remaining on farms March 1 as compared with 130 millions a year ago. Based on this estimate of farm stocks, total stocks of Canadian grain in North America appear to be about 311 million bushels this year as compared with 293 million a year ago.

During the past few weeks, stocks of wheat in store at Fort William and Port Arthur have been increasing much less rapidly than during the corresponding period of last year. Stocks on January 18, 1929 were 61 million bushels and increased to 67 million on March 8. This increase of 6 million bushels compares with an increase of 14 million during the corresponding period of last year to 65 million bushels on March 9, 1928.

With the opening of navigation it appears that about the same amount of wheat will be at the head of the lakes ready to be moved eastward as there was last year. However, there will be no such large accumulations still to come from the country districts. The opening of navigation at





Fort William and Port Arthur usually occurs sometime in the latter part of April. There have been but three occasions since 1914 when the opening has been delayed until May and 1921 was the only year when the opening was early in April.

### Prospects for the 1929 crop

It is too early to know anything definite about what will happen to the 1929 wheat crop in Canada, but weather conditions to date are reported to have been rather unfavorable due to the dryness of the fall and winter. Last September from the Coast of British Columbia to the Lake of the Woods weather was considerably dryer than usual. The same was true in October, there being reported a general deficiency of moisture from the interior of British Columbia to the Lake of the Woods, and in November the weather was very dry with no measurable precipitation in many districts. The deficiency of moisture is likely to result in unfavorable conditions for planting the crop this spring and for the growth of the crop after it is planted unless the weather this spring is very favorable.

CANADA: The distribution of the 1927 and 1928 wheat crops and the supplies available March 1, 1928 and 1929

Item	1927-28	1928-29
	<u>1,000 bushels</u>	<u>1,000 bushels</u>
Carryover on July 31 .....	47,839	76,484
Production .....	479,665	533,572
Loss in cleaning .....	6,732	a/ 34,000
Grain not merchantable .....	27,598	)
Net production .....	445,335	499,572
Imports August 1 - July 31 .....	473	b/ (500)
Total available .....	493,647	576,556
Exports:		
August 1 - January 31 .....	180,841	268,009
February .....	21,827	19,710
August 1 - February 28 .....	202,668	287,719
Food - 7 months .....	c/ 24,500	c/ 24,500
Balance - March 1 .....	266,479	264,337
Seed .....	42,200	b/ 42,000
Exports - March 1 - July 31 .....	130,295	
Food - 5 months .....	c/ 17,500	c/ 17,500
Balance - July 31 .....	76,484	

Compiled from Canadian Monthly Bulletin of Agricultural Statistics and Canadian Grain Statistics except as otherwise stated.

a/ Assumed to be the same as 1927-28. 7 per cent of the wheat inspected in the Western Grain Division from August 1, 1928 - January 31, 1929 was graded as feed, smuty, rejected or condemned. 6 per cent of the inspections were classed as feed.

b/ Estimated.

c/ Estimated on the basis of 31/2 million bushels per month which was the average for the year 1927-28.



## CANADA: Wheat in store at beginning of March 1927, 1928 and 1929

Item	March 4, 1927	March 2, 1928	March 1, 1929
	<u>1,000 bush</u>	<u>1,000 bush</u>	<u>1,000 bush</u>
Western country elevators .....	32,203	39,080	55,118
Interior terminal elevators .....	7,112	6,241	8,118
Vancouver elevators .....	(	5,364	4,609
Prince Rupert elevators .....	) 6,337	1,011	33
Victoria elevators .....	-	--	64
Fort William and Port Arthur .....	47,154	64,143	66,653
Interior private and manufacturing elevators .....	4,462	5,099	4,398
Public elevators in the East, Lake ports:(		12,622	17,342
" " " " Seaboard ports. )	11,628	6,925	14,101
United States Lake ports .....	3,012	15,694	18,927
United States Atlantic Seaboard ports .	3,821	7,402	13,351
Total .....	115,729	163,581	202,714

Compiled from Canadian Grain Statistics.

## CANADA: Wheat on farms, March 1, 1928 and 1929

Item	Crop year	
	1927-28	1928-29
	<u>1,000 bushels</u>	<u>1,000 bushels</u>
Farms stocks, July 31 .....	4,243	4,186
Production .....	479,665	533,572
Total .....	483,908	537,758
Receipts at country elevators and platform loadings August 1 - February 28 .....	353,993	428,999
Balance on farms, March 1 .....	129,915	108,759

Compiled from Canadian Monthly Bulletin of Agricultural Statistics and Canadian Grain Statistics.





## WHEAT: Stocks at Fort William - Port Arthur, Canada

Grade	January 18, 1929	February 1, 1929	February 15, 1929	March 1, 1929	March 15, 1929
	1,000 bush	1,000 bush	1,000 bush	1,000 bush	1,000 bush
No. 1 northern	1,128	1,190	1,176	1,182	1,197
No. 2 "	9,692	10,256	10,432	10,555	10,770
No. 3 "	10,000	10,694	10,959	11,160	11,407
No. 4 "	10,501	11,260	11,450	11,620	11,833
No. 5 "	10,154	11,034	11,406	11,654	12,089
No. 6 "	9,353	9,507	10,082	10,294	10,558
Feed	2,149	2,277	2,281	2,529	2,386
Durum	4,399	4,194	4,408	4,287	4,427
Total	61,092	64,072	65,413	66,618	67,936
	January 20, 1928	February 3, 1928	February 17, 1928	March 2, 1928	March 16, 1928
	1,000 bush	1,000 bush	1,000 bush	1,000 bush	1,000 bush
No. 1 northern	108	109	114	113	113
No. 2 "	781	824	780	804	809
No. 3 "	3,890	4,757	5,632	6,029	6,172
No. 4 "	1,927	2,104	2,136	2,206	2,230
No. 5 "	577	647	652	619	624
No. 6 "	279	294	305	312	314
Feed	81	86	87	86	80
Durum	327	356	414	424	430
Total	50,823	57,245	61,514	64,143	65,321

Compiled from Board of Grain Commissioners for Canada.

WHEAT: Inspections in Western Grain Division of Canada,  
August 1 - February 28, 1927-28 and 1928-29

Grade	August 1, 1927 - February 29, 1928			August 1, 1928 - February 28, 1929		
	Cars	1,000 bushels a/	Per cent	Cars	1,000 bushels b/	Per cent
Number 6	5,500	7,281	2	42,155	57,233	16
Feed	2,099	2,779	1	16,481	22,376	6
No grade	101,979	135,004	44	4,891	6,640	2
No. 6 durum	21	28	c/	90	122	c/
Total wheat	231,226	306,106	100	271,535	368,655	100

Canadian Grain Statistics.

a/ Carloads converted to bushels at 1323.84 bushels per car.

b/ " " " " 1357.67 " " "

c/ Less than one per cent.



Flour production in the United States

The table on page 14 presents revised estimates of flour production and wheat ground by merchant flour mills in the United States. The revision is occasioned by the release of preliminary figures of the 1927 Census of Manufactures. It should be noted that the estimates as here given do not purport to represent the total amount of flour produced or wheat ground in the United States. They represent only the totals for what may be called "flour mills in the 'milling industry'". In addition to the amount of flour produced by these mills, is that produced by custom mills and by mills which are not classified in the "milling industry". The custom mills produced 1,205,068 barrels of flour in 1919 according to the 14th Census. The mills classified by the Census as being in industries other than the "flour, feed and other grain mill products industry" produced 663,159 barrels of flour in 1925, and 459,278 barrels of flour in 1927, according to the Census of Manufactures for those years. Amounts comparable to these should be added to the estimates as given above in order to arrive at a figure representing the total flour production of the United States.

The figures for wheat ground, it is thought closely approximate the amount of wheat ground into flour by the merchant mills in the "flour, feed and other grain mill products industry". They do not include wheat ground by mills classified in other industries and they do not include as much wheat which is ground primarily for purposes other than flour as do the figures of the Biennial Census of Manufactures. The figures of wheat ground are obtained by raising the totals of the monthly census reports by the same percentage used in raising the monthly flour production figures. While the monthly census reports presumably include a small amount of wheat which is ground primarily for purposes other than the production of flour, this amount is thought to be very small and is evidently a much smaller percentage of the total than is included in the wheat ground as reported by the Census of Manufactures.

In estimating total flour produced and wheat ground in merchant flour mills in the "milling industry", the percentage which the monthly Census returns comprise of the total flour production was first estimated. These percentages were computed by months and represent a straight line interpolation between July 1923 and July 1925, between July 1925 and July 1927, and an extension of the monthly increment in the percentages through 1928. Percentages for July, 1923, 1925 and 1927 are approximately the percentages which the yearly totals of reported monthly flour production are of the total flour production reported for the "flour, feed, and other grain mill products industry" by the Census of Manufactures for these years. They differ slightly because of the adjustment necessary in order that the total of the monthly reports as raised may equal the Biennial Census total. Monthly reports are not available for the entire calendar year of 1923, and it is assumed that from May to December the total flour production of the reporting mills was 68.9 per cent of their total production for the entire year, this being the percentage which the May to December flour production in 1923, as estimated by Russell's Commercial News, is of the total for that year.



Estimated total flour produced and wheat ground by merchant flour mills  
in the "milling industry" by months, 1923 - 1928 a/

Item and month :	1923 :	1924 :	1925 :	1926 :	1927 :	1928 :
	1000 bbls	1000 bbls	1000 bbls	1000 bbls	1000 bbls	1000 bbls
Flour produced :						
Jan .....	-	10,010	10,878	9,487	9,340	9,917
Feb .....	-	9,403	9,098	8,114	8,682	9,623
Mar .....	-	9,307	8,097	9,046	9,662	10,470
Apr .....	-	8,550	7,467	8,276	8,977	9,107
May .....	8,894	8,780	7,637	8,084	9,174	9,319
June .....	7,564	8,662	8,513	8,715	9,199	8,292
July .....	8,758	9,396	9,708	10,412	9,042	9,096
Aug .....	10,809	10,915	10,197	11,358	10,359	11,068
Sept .....	10,931	11,589	10,897	11,775	11,269	11,211
Oct .....	12,290	12,588	11,753	11,590	11,634	12,348
Nov .....	10,513	10,161	9,993	10,416	10,462	10,552
Dec .....	9,089	9,785	9,789	9,655	9,916	9,863
Total ... :	114,439	119,146	114,027	116,928	117,715	120,866
	1000 bush	1000 bush	1000 bush	1000 bush	1000 bush	1000 bush
Wheat ground:						
Jan .....	-	46,686	49,694	44,114	42,619	45,950
Feb .....	-	43,686	41,608	37,761	39,571	44,652
Mar .....	-	43,233	36,973	41,495	44,154	48,513
Apr .....	-	39,711	34,207	38,423	41,087	42,307
May .....	40,704	40,797	35,066	37,753	42,023	43,270
June .....	34,751	40,321	39,049	40,556	42,165	38,570
July .....	40,250	43,592	44,642	47,808	41,552	42,246
Aug .....	49,527	50,386	46,986	51,807	47,500	50,865
Sept .....	50,367	53,026	50,386	53,553	51,804	51,207
Oct .....	56,858	57,414	54,561	52,891	53,550	56,364
Nov .....	48,753	46,433	46,435	47,566	48,233	48,227
Dec .....	42,221	44,675	45,568	44,027	45,750	44,953
Total ... :	527,477	549,960	525,175	537,754	540,008	557,124

a/ Subject to revision as to basic data and to method of computation when final figures of the biennial census of 1927 are available. Estimates of flour produced and wheat ground do not include custom mills or mills classified in industries other than the "flour, feed and other grain mill products industry". As far as possible wheat ground primarily for purposes other than flour has also been excluded and it is believed that these figures represent approximately the amount of wheat ground into flour, consequently they are not directly comparable with the figure of wheat ground as reported in the Census of Manufactures.





United States crop, distribution and stocks on March 1

The total supply of wheat this season, beginning July 1928, (including 16 million bushels imported) amounted to 1,048 million bushels or 36 million greater than the supply of the previous season. Of this amount, 539 million bushels were disposed of by March 1 in the form of exports, mill grindings, and winter seedings, compared with a similar disposal of 587 million bushels the preceding year out of a supply of 1,012 million bushels. The 48 million bushels smaller accounted for disposal to March 1 this season is due largely to a decrease in exports, which were 52 million bushels less than for the same period last season. A little less was used for winter seedings also, but commercial mills have ground about nine million bushels more than a year ago.

Stocks of wheat in all positions as of March 1 are not available but stocks at farms, in country mills and elevators, and the visible supply amounted to approximately 357 million bushels or 73 million bushels greater than last year and 80 million bushels greater than on March 1, 1927. Mill stocks probably are somewhat larger than last year. The increase in supplies on March 1, as compared with last year, is largely in central markets since farm stocks are only 18 million bushels larger. The increase in farm stocks has taken place mainly in the region of winter wheat production, as farm stocks in the principal winter wheat producing states are 15 million bushels larger than last year. Farm stocks in the principal soft winter producing states, however, are only about half as large this year, so the increase is in stocks of hard winter wheat. Farm stocks in the principal spring wheat producing states are five million bushels larger this year, but in the Pacific Coast States and Idaho they are slightly less than last year. Central market stocks at Pacific ports are slightly smaller than last year. The increase in these stocks has taken place nearly altogether at interior points and at Lake ports, particularly at points in the hard winter and spring wheat areas.



## WHEAT: Supply and distribution in the United States, 1925-1929

Period and item	1925-26	1926-27	1927-28	1928-29
July 1 - February 28	Million	Million	Million	Million
Supply:	bushels	bushels	bushels	bushels
Stocks, July 1 -				
On farms .....	29	21	27	24
In country mills and elevators .....	25	30	22	19
Commercial visible (Bradstreet's) .....	29	16	26	42
In merchant mills and elevators <u>1/</u> .....	22	25	37	33
In transit <u>1/</u> .....	9	7	12	11
Total stocks .....	114	99	124	129
Imports (grain only) .....	16	13	10	16
Production .....	676	831	878	903
Total supply .....	806	943	1,012	1,048
Distribution:				
Exports (grain only) .....	39	123	131	79
Mill grindings (commercial mills) <u>2/</u> .....	376	385	383	392
Mill grindings(custom and small mills) <u>3/</u> .....	8	8	8	8
Winter seedings .....	155	60	65	60
Total disappearance accounted for .....	478	576	587	539
Carryover:				
Stocks, March 1 as given below .....	287	357	367	
Total supply accounted for .....	765	933	954	
Total disappearance unaccounted for <u>4/</u> .....	41	10	58	
March 1 - June 30	1926	1927	1928	1929
Supply:				
Stocks, March 1 -				
On farms .....	100	130	131	149
In country mills and elevators .....	76	86	75	78
Commercial visible (Bradstreet's) .....	48	61	78	130
In merchant mills and elevators <u>1/</u> .....	57	70	69	
In transit <u>1/</u> .....	6	10	14	
Total stocks .....	287	357	367	
Imports (grain only) .....	3	3	5	
Total available supply accounted for .....	290	360	372	
Supply not accounted for <u>5/</u> .....	22	--	--	
Probable total supply .....	312	360	372	
Distribution:				
Exports (grain only) .....	24	33	15	
Mill grindings (commercial mills) <u>2/</u> .....	160	171	175	
Mill grindings(custom and small mills) <u>3/</u> .....	2	2	2	
Spring seedings .....	27	29	30	
Total disappearance accounted for .....	213	235	222	
Carryover: Stocks as above, July 1 .....	99	124	129	
Total supply accounted for .....	312	359	351	
Total disappearance unaccounted for <u>4/</u> .....	--	1	21	

1/ Compiled from U. S. Census estimate. Estimated to represent all merchant mills. March 1 stocks are interpolated figures. 2/ Census monthly returns raised to 100 per cent based on the Biennial Censuses of 1923, 1925 and 1927. 3/ A minimum of small commercial mills and custom mills. 4/ Difference between total supply accounted for and total supply. Includes wheat fed to livestock, waste, loss and errors in estimates. 5/ Used as a balancing factor only.





Wheat prices

Wheat prices in February rose to the highest point of the season since the beginning of August, but this rise was checked within the month and prices during the first half of March fluctuated near the level of early February. The average farm price as of February 15 was 104.2 cents per bushel as compared with 98.5 in January. The market price of all classes and grades at six markets in February averaged 113 cents per bushel, four cents above the average for January. The rise continued through February and until the week ended February 22. The average price of all classes and grades rose from 117 the first week in the month to 120 the week ended February 22, which is the highest average since the first week of August. In the three following weeks, the all classes and grades average prices were 117, 115, and 117 cents per bushel, respectively.

The February rise in wheat prices was realized mostly in the dark northern spring, western white, and hard winter wheats. The average price for No. 1 dark northern spring at Minneapolis rose from 131 the week ended February 1 to 139 the week ended February 22, western white rose from 118 to 122, and No. 2 hard winter at Kansas City rose from 117 to 120 cents per bushel. Soft red winter wheat, on the other hand, dropped the second week in February and then rose to 145 cents per bushel, or one cent above the average for the first week, and No. 2 durum dropped from 132 to 129 and then rose to only 130. The prices of all these classes of wheat dropped in the last week of February and continued in March on a level somewhat below the high level reached in the week ended February 22. Spring wheat protein premiums have continued to fluctuate considerably and were a little higher in February than in January, though they weakened somewhat during the first half of March. The protein premiums on winter wheat are still lower than in January, but showed some improvement during the first half of March.

As usual, wheat prices for the remainder of the season will fluctuate considerably with reports of spring seeding and growing conditions. The opening of navigation on the Lakes, which in recent years has occurred between April 14 and May 4, may have some temporary influence upon wheat prices. It is of interest to note, however, that heavy shipments early in the season appear to have reduced supplies available in Canada approximately to what they were at this time last year. Unfavorable conditions for spring seeding might tend to slow up the marketing of the Canadian grain and offset the influence of the opening of navigation upon wheat prices in general. An important factor in the present outlook is the movement of the Argentine crop. A continuation of the present heavy movement from the Argentine, together with some increase in the volume from Canada, may have a depressing influence upon the wheat market, unless this is offset by the prospect of a reduction in next year's crop in Europe or elsewhere.

The reports of stocks on farms by states indicate that soft red winter wheat supplies are very low in the upper Ohio Valley, and that the total available supplies of this wheat are comparatively short. Soft red winter wheat prices, therefore, should maintain the relatively high differential over other classes of wheat. It appears, however, that there is



some substitution of low protein hard wheats which probably will hold the prices of soft red winter more in line than last year with the hard winter prices. Spring wheats are likely to continue near present levels and unfavorable crop conditions in Canada may cause prices to rise further toward the end of the season. A heavy carryover of hard red winter wheat, particularly in Kansas, probably will hold this class of wheat to a world market basis for the remainder of the season. Unless there is heavy abandonment in this area, the course of prices will depend very largely upon the prospects for the 1929 world crop.

WHEAT: Weighted average cash price per bushel at stated markets for corresponding weeks, 1928 and 1929

		:All classes:		No. 2		No.1		No. 2		:Durum, all :		No. 2	
Week ended		:and grades :		hard winter:		dk.n.spring:		amber durum:		:sub-classes:		red winter	
		:six markets:		Kansas City:		Minneapolis:		Minneapolis:		:and grades :		St. Louis	
		:1928		:1929		:1928		:1929		:1928		:1929	
		:Cents:		Cents:		Cents:		Cents:		Cents:		Cents:	
		:		:		:		:		:		:	
Jan	4	: 132	: 105	: 136	: 108	: 142	: 123	: 138	: 111	: 126	: 91	: 147	: 135
	11	: 130	: 108	: 132	: 108	: 139	: 125	: 132	: --	: 123	: 95	: 149	: 141
	18	: 131	: 115	: 134	: 114	: 142	: 130	: 129	: 122	: 122	: 103	: 153	: 141
	25	: 131	: 118	: 132	: 119	: 145	: 132	: 127	: 138	: 120	: 107	: 152	: 142
Feb	1	: 131	: 117	: 131	: 117	: 143	: 131	: 128	: 132	: 121	: 107	: 152	: 144
	8	: 130	: 117	: 129	: 117	: 140	: 134	: 126	: 132	: 118	: 107	: 152	: 139
	15	: 131	: 119	: 133	: 118	: 140	: 136	: 127	: 129	: 120	: 109	: 155	: 141
	22	: 134	: 120	: 136	: 120	: 145	: 139	: 129	: 130	: 123	: 107	: 158	: 145.
Mar	1	: 135	: 117	: 135	: 118	: 145	: 136	: 133	: 126	: 124	: 104	: 161	: 138
	8	: 137	: 115	: 138	: 117	: 148	: 132	: 133	: 129	: 126	: 102	: 166	: 135
	15	: 135	: 117	: 136	: 119	: 145	: 132	: 131	: 123	: 125	: 105	: 168	: 139
	22	: 137	:	: 141	:	: 147	:	: 135	:	: 128	:	: 170	:
	29	: 137	:	: 141	:	: 147	:	: 135	:	: 127	:	: 176	:
Apr	5	: 140	:	: 143	:	: 151	:	: 135	:	: 128	:	: 181	:
	12	: 143	:	: 144	:	: 152	:	: 140	:	: 132	:	: 186	:
	19	: 156	:	: 156	:	: 167	:	: 146	:	: 139	:	: 199	:
	26	: 158	:	: 165	:	: 171	:	: 141	:	: 140	:	: 212	:

A modern mill established in Colombia imports Canadian wheat

Compañia Harinera de Santa Marta, Colombia (the flour company of Santa Marta) was established in 1927 but production that year was confined to the months of May and June when 12,500 bushels of damaged wheat were ground, according to a report from Vice Consul H. F. Diehe, Santa Marta, Colombia, South America. The mill is as modern as any mill in the United States, all the machinery being modern and of American make. All sacks,





twine, lubricating oils and repair parts as well as delivery trucks are also of American make. The wheat used, however, is Canadian (Manitoba) Spring. During the year 1928, 76,000 bushels of Canadian wheat were purchased and shipped from New York. The Roncallo Brothers in Barranquilla also use the same grade of Canadian wheat, which is purchased in and shipped from San Francisco. Not only these mills but practically all the flour mills on the Caribbean Coast of Colombia import Canadian wheat. The Colombian import tax on wheat is 24 cents per bushel (1 centavo per kilo) and on flour 1.3 cents per pound (3 centavos per kilo).

The Santa Marta mill operates approximately 15 hours per day. Flour production in 1928 totaled 16,954 barrels (196 pounds per barrel) and in January, 1929, 2,592 barrels. The production of 2,970 barrels during October was the highest output in any month and the mill ran every day, including Sundays. The wheat extraction of the mill is 74 per cent flour, 24 per cent feed and 2 per cent screenings. All flour is packed in sacks of 25 pounds and is sold in the Department of Magdalena, Atlantico and in most all the river cities on the Magdalena River.

WHEAT: Production, average 1909-1913, annual 1925-1928

Countries reported in 1928 <sup>a/</sup>	Average 1909- 1913	1925	1926	1927	1928	Percent- age 1928 is of 1927
WHEAT	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	Per cent
United States .....	690,108:	676,429:	831,040:	878,374:	902,749:	102.8
Canada .....	197,119:	395,475:	407,136:	479,665:	533,572:	111.2
North America (3) ...	898,708:	1,081,117:	1,248,509:	1,369,929:	1,447,653:	105.7
Total Europe (29) .....	1,348,170:	1,390,839:	1,204,746:	1,266,799:	1,380,361:	109.0
Total Africa (6) .....	93,171:	105,166:	90,313:	105,764:	103,079:	97.5
Total Asia (6) .....	387,827:	383,500:	379,296:	389,635:	337,866:	86.7
Total N. Hemis. (44) :	2,727,876:	2,960,622:	2,922,864:	3,132,127:	3,267,989:	104.3
Southern Hemis. (3) ...	243,590:	314,855:	389,632:	362,543:	415,827:	114.7
Total above count. :	:	:	:	:	:	:
(47) .....	2,971,466:	3,275,477:	3,312,496:	3,494,670:	3,683,816:	105.4
Est. N. Hemis. total :	:	:	:	:	:	:
ex. Russia & China :	2,759,000:	3,067,000:	2,979,000:	3,181,000:	3,305,000:	103.9
Est. world total ex. :	:	:	:	:	:	:
Russia and China ... :	3,041,000:	3,435,000:	3,420,000:	3,605,000:	3,780,000:	104.9
:	:	:	:	:	:	:

<sup>a/</sup> Figures in parenthesis indicate the number of countries included.





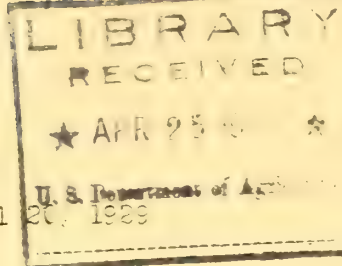
WHEAT, INCLUDING FLOUR: Net exports from principal exporting  
countries and net imports into European  
importing countries 1927-28 and  
1928-29

Country	: Net exports reported ::			Country	: Net imports reported		
	: July 1:	1927-28	1928-29		: July 1:	1927-28	1928-29
	: to :				: to :		
		: Million	: Million			: Million	: Million
		: bushels	: bushels			: bushels	: bushels
United States	: Mar. 9:	168	107	: United Kingdom	: Jan. 31:	121	118
Canada .....	: Feb. 28:	189	323	: Italy .....	: Jan. 31:	36	52
Russia .....	: Mar. 9:	5	a/	: Germany .....	: Jan. 31:	58	45
British India	: Mar. 9:	9	b/- 2	: France .....	: Dec. 31:	40	24
Hungary .....	: ( :			: Belgium .....	: Dec. 31:	22	22
Rumania .....	: ( :			: Netherlands .	: Jan. 31:	19	18
Bulgaria .....	: Mar. 9:	4	2	: Czechoslovakia	: Dec. 31:	12	10
Yugoslavia ..	: ( :			: Irish Fr. State	: Dec. 31:	10	9
Algeria .....	: Dec. 31:	1	c/ 3	: Switzerland .	: Jan. 31:	12	9
Argentina ...	: Mar. 9:	100	125	: Sweden .....	: Jan. 31:	5	5
Australia ...	: Mar. 9:	44	76	: Norway .....	: Jan. 31:	5	5
	: :			: Denmark .....	: Dec. 31:	5	7
	: :			: Finland .....	: Nov. 30:	2	2
	: :			: Poland .....	: Dec. 31:	2	3
	: :				: :		
Total ....	: :	520	634	: Total imports--	: :		
	: :			: tant Euro-	: :	349	329
	: :			: pean coun.	: :		

a/ Less than .01 million bushels. b/ Net imports. c/ August-December.



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UNITED STATES DEPARTMENT OF AGRICULTURE  
Bureau of Agricultural Economics  
Washington



E.S.  
WH-34

April 20, 1929

FOREIGN NEWS ON WHEAT

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WORLD WHEAT CROP AND MARKET PROSPECTS

Fifteen countries which have thus far reported their area of winter wheat for the 1929 harvest show a reduction of 3.2 per cent from their area of 1928, according to the Foreign Service of the Bureau of Agricultural Economics. The winter wheat area of these countries constituted 67 per cent of the winter wheat area and nearly 53 per cent of the area of all wheat in the world outside Russia and China. Canada, which occupies an especially dominant position with regard to the spring wheat crop of the world, reports an increase of about seven per cent in the total area prepared for all crops in the Prairie Provinces. Weather conditions, however, have been unfavorable in Canada and though there have been rains recently the crop may suffer from lack of moisture in the soil unless conditions from now on are favorable.

With condition of winter wheat being reported as generally favorable, prices have declined since the middle of March. The decline has been greater in the United States than in foreign markets and domestic prices reached a point where considerably more export business was done. Since domestic prices are now more definitely on an export basis, the outlook is favorable for a more rapid reduction in our visible supplies.

The opening of inland waterways in Europe has released stocks in northern European ports and has brought about a more normal distribution of supplies. Reports continue to indicate unusually heavy feeding of bread grains by European farmers and farm stocks of wheat in





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northern Europe appear to be smaller than a year ago. Exports from the principal surplus producing countries continue to be much larger than last year, indicating the rapid consumption of the crop. Exports of wheat, including flour in terms of wheat, have been 681 million bushels against 583 million in the corresponding period of last year.

Rapid consumption gives promise of the carryover at the end of the season being brought down to levels not very greatly in excess of last year. Total stocks of Canadian wheat in Canada and the United States as of April 1 are officially reported at 244 million bushels which is only 8 per cent greater than a year ago. The greatest accumulation of wheat over stocks of a year ago is to be found in the United States. It is likely, consequently, that the principal increase in carryover will be found in the United States.

#### Wheat areas and conditions

Reports received to date indicate a 1929 winter wheat area about 3 per cent below that of 1928. Fifteen countries which in 1928 represented 67 per cent of the estimated world winter wheat area have reported a total of 123,203,000 acres against 127,288,000 acres in 1928, or a decrease of 3.2 per cent. The condition of winter wheat in the United States as of April 1 was better than average, having a reported condition of 82.7 per cent, compared with the very low condition of 68.8 per cent last year and the ten-year average of 80.9 per cent, according to the release of the United States Crop Reporting Board on April 9. Abandonment is not estimated until May 1, but judging from reports of correspondents concerning probable abandonment, the loss this year is likely to be below the ten-year average of about 12 per cent.

The area prepared for all crops in the Prairie Provinces of Canada is reported at 17,453,000 acres as compared with 16,296,000 acres prepared for the 1928 crops. There is an increase of new breaking in Alberta and Manitoba, while all three provinces report a decrease in the land under summer fallow but an increase in fall ploughing. A great part of these provinces have had less than normal precipitation since last autumn.

Recent reports from Europe are generally more favorable than those a month ago. Field work, however, has been greatly delayed by the late



spring. The official report of the condition of winter wheat in Germany as of April 1 showed a condition of 97 per cent of the average condition as of that date for the years 1919-1928 against 88 per cent as of April 1, 1928 and 109 per cent as of April 1, 1927. Although the development has been delayed, the cereals are looking fine, according to Agricultural Commissioner Steere at Berlin. The winter killing in Hungary was about normal, according to an official report dated March 27. Unofficial reports from Rumania and Austria indicate favorable conditions in those countries.

The wheat area as reported for Algeria, Tunis and Morocco is nearly 7 per cent above last year. Low temperatures retarded the germination of late sowings, but growth has been regular. Egypt has not issued an estimate of area sown but the official report as of April 1 showed a condition above average and above April 1, 1928.

The total area sown in India is estimated at 31,159,000 acres against 31,330,000 acres at the corresponding date last year, showing a decrease of 171,000 acres. The crop has been damaged by cold and frost but the damage is not serious in the important wheat growing sections of the Punjab and the United Provinces and, according to the latest official reports, the condition of the crop, on the whole, may be regarded as fair. The official estimate of production in the Punjab is 115,301,000 bushels against 103,189,000 bushels in 1928 and 128,091,000 bushels in 1927.

Agricultural Commissioner Nyhus at Shanghai reported that weather conditions in the Yangtze Valley have been favorable and the prospects for the new wheat crop are considered good. The weather conditions in Japan, however, have been less favorable than last year and on March 1 the condition of the wheat crop was below average.

#### Wheat production in 1928

The 1928 wheat production in 48 countries is estimated at 3,710,344,000 bushels against 3,504,841,000 bushels in 1927, an increase of 5.9 per cent. The estimates of wheat production in North America, Africa, and Asia have not been changed since the March issue of "Foreign News on Wheat". Those of several European countries have been revised upward during the past month, the increase amounting, in the aggregate, to about 11,000,000 bushels. The total production in 29 countries of Europe is now placed at 1,391,571,000 bushels against 1,261,573,000 bushels in 1927. These totals represent an increase of 10.3 per cent in the 1928 production, while the totals as published in March had shown an increase of 9 per cent. An increase of 7,000,000 bushels in the Czechoslovakian estimate and an increase of 5,000,000 bushels in the Polish estimate are the only important revisions, the others being for minor producing countries. The estimates of production in four Southern Hemisphere countries which in 1927 produced about 90 per cent of the estimated Southern Hemisphere total are now included in the total and are reported at 14 per cent above 1927. According to trade sources, shipments





of wheat from Argentina since January 1 have been about equal to those during the same period last year.

There has been no substantial change in the Russian grain situation although there are indications of a weakening in the procuring situation. The condition of the roads is an important factor in the collection of grain in the fall and spring and the season of poor roads began early this year. The bread rationing system which became effective in Moscow the middle of March appears to have been successful as bread sales have tended to decrease. The boycott of peasants who possess grain has also produced some effect on grains sales. This boycott takes various forms, a frequent one being the refusal of the cooperatives to sell industrial goods, except in exchange for grain.

#### Government aid for wheat growers in Switzerland

Government assistance to the Swiss wheat industry has been established on a permanent basis by an amendment to the Constitution as a result of the referendum held March 3, 1929, according to a report to the Foreign Service of the Bureau of Agricultural Economics from Asher Hobson, American Permanent Delegate to the International Institute of Agriculture at Rome. At present, Switzerland imports about 16,000,000 bushels of wheat annually, which represents approximately 75 per cent of her requirements. In view of the relatively small quantities involved in the Swiss wheat trade, the significance of the Amendment lies in the principle involved and the probable accompanying changes in Swiss agriculture rather than in any effect it may have on the world wheat supply situation.

The amendment, known as the "wheat peace", grew out of war-time measures adopted when near-famine conditions prevailed in Switzerland, Mr. Hobson reports. A government monopoly for the handling of bread grains was first instituted in 1917. Since the general decline of cereal prices in 1920, the Government of Switzerland has been granting substantial assistance to producers of cereals. Although this aid had its origin in a period of national emergency, it has been extended repeatedly for temporary periods in one form or another. The latest extension was to expire on June 30, 1929. Ever since the war, agrarian interests have been insisting that the emergency wheat monopoly measures be given permanent status. Earlier efforts to accomplish that object were successfully contested by the urban population. The fact that the present project is to be paid for by reimposing a statistical tax upon all goods passing the Swiss frontier and not by directly raising the price of bread is cited as an important influence in securing passage of the constitutional amendment.

A translation of part of the amendment follows:

"The Confederation (Federal Government) will hold sufficient reserves of wheat to guarantee the needs of the country. It may obligate the millers to warehouse wheat and to acquire reserve quantities in order to facilitate replacements.



"The Confederation encourages the growth of wheat in the country; it favors the selection and acquisition of native seed of good quality, and grants assistance to the producer cultivating wheat for his own uses, taking into particular consideration the mountainous regions. It buys native wheat of good quality, suitable for milling, at a price which admits of its cultivation. The miller may be obliged to buy this wheat on the basis of its market value.

"The Confederation guarantees the support of the national milling industry; it also safeguards the interests of the consumers of flour and bread. It controls, within the limits of its prerogatives, the trade in and prices of wheat, bread-making flour and bread. The Confederation will take the necessary measures to regulate the importation of bread-making flour; it may reserve itself the exclusive right to import this product. The Confederation, in case of need, will grant special facilities to the mills, so as to reduce their transportation fees within the country. Suitable measures will be taken to equalize the prices of flour.

"The statistical dues raised on all goods passing the Swiss frontier will again be enforced. The product of this tax will contribute to covering the expenditures occasioned by supplying the country with wheat."

In commenting upon the amendment, Mr. Hobson attaches significance to the provision for granting "assistance to the producer cultivating wheat for his own uses, taking into particular consideration the mountainous regions". For the past three years the government has paid a cash "milling premium" on wheat ground for the producer's consumption in his own home. The provision, accordingly, is designed to encourage the mountainous regions to become self-sufficient in the matter of bread cereals. These regions with their extensive pastures are prone to concentrate on milk production. If some of their efforts can be diverted to wheat, the market pressure of cheese from such areas might be lessened. It is expected that the milling premiums will be increased.

The terms of the amendment indicate that the government intends to pay more than the market price for native wheat if the market price is not sufficient to encourage wheat cultivation. The statement carrying that intent is popularly interpreted to mean that the government price for wheat grown in Switzerland will be higher than the world market level, according to Mr. Hobson. The native wheat will be sold to mills at its market value. The guaranteeing of remunerative prices to the grower and the selling of the wheat to the mills at market rates is expected to entail a loss. This loss is to be covered by "statistical dues raised on all goods passing the Swiss frontier."

The statement promising support to the national milling industry may indicate tariff protection for flour. Moreover, the government holds the exclusive right to import bread-making flour. The millers may import





wheat, but they can be compelled to buy the native grain. The plan proposes that each mill will utilize native wheat in the same proportion as it will utilize imported wheat. That is, if a mill grinds ten per cent of the country's wheat imports, it shall also utilize ten per cent of the domestic harvest.

SWITZERLAND: Area, production and imports of wheat, average 1909-1913, annual 1920-1928

Year	Area	Production	Imports a/
	<u>1,000 acres</u>	<u>1,000 bushels</u>	<u>1,000 bushels</u>
Average, 1909-1913	105	3,314	16,558
1920	119	3,586	12,103
1921	117	3,800	15,125
1922	110	2,550	13,962
1923	112	3,840	17,360
1924	104	3,112	14,216
1925	105	3,516	15,005
1926	127	4,244	16,109
1927	127	4,119	16,629
1928	127	4,270	b/ 16,834

Compiled by the Foreign Service of the Bureau of Agricultural Economics from official sources. Imports from Statistik der Auswärtigen Handels der Schweiz.

a/ Grain only. Wheat flour not reported for years 1920-1928; average of wheat including flour for 1909-1913 equals 18,885,000 bushels.

b/ Preliminary.

### Continental European wheat situation

Continental import markets for wheat were relatively quiet during most of March, with the volume of purchases apparently assuming no greater proportions than in February. The weakening tendency of world prices under the continued pressure of heavy overseas wheat supplies, and the absence of bullish factors in the situation, served to restrict purchases largely to immediate requirements. It also appears that the continued stoppage of inland water traffic in Northern and Central Europe until the middle of March and after, with its resultant accumulation of larger stocks at the ports, contributed toward retarding the development of more active inquiry, as all reports indicate relatively light stocks of overseas grain at the mills and other inland points.

March developments in the domestic grain situation, however, seem to indicate improvement in the market position in many parts of the continent. Wheat prices in Central European markets until the very end of the month tended to move counter to world prices, the firmer tendency arising directly from restricted marketings from the farms coincident



with the exhaustion of mill stocks of grain because of transportation difficulties. The resumption of water traffic broke the rising tendency at the close of the month, but reports still indicate reduced farm marketing, the latter apparently due to the occupation of farmers with field work and, possibly, to the reduction of farm grain stocks to comparatively moderate levels. Continental grain trade reports now indicate general improvement in the domestic grain position, and evince belief that the market will show strength during the balance of the season even though world prices should continue weak.

Continental grain trade opinion on the world wheat market outlook was distinctly bearish at the end of March. Dealers did not envisage any significant, sustained improvement in prices with current and prospective shipments from the Southern Hemisphere and Canada continuing as large as now expected, particularly with the possibility of some decline in demand from China and India. This view is also supported by generally more favorable reports on the condition of continental winter grain crops as the month progressed, with present indications that winter damage for the continent as a whole will probably be no larger than normal and possibly even less than normal. The belief is expressed that only very unfavorable crop developments in one or more major producing areas, and unmistakable evidence of greatly increased consumption can bring about an upward trend in the market. The possibility of Russian purchases is at present of little or no influence, mainly because of the recent almost complete lack of reports from Russia.

The European grain stock situation remains somewhat obscured by the disruption of transportation during the cold weather, but the opening up of inland waterways since the middle of the month is now bringing about resumption of normal grain movements and the readjustment of stocks. Generally speaking, the stoppage of water shipments resulted in the accumulation of stocks in ports and in the hands of the grain trade between domestic producing districts and consuming centers. The mills, therefore, have had much reduced stocks during most of March, and stocks of grain at consuming centers, particularly overseas grain, are still reported small at the present time. This situation has doubtless been of influence in sustaining prices of domestic grain in recent weeks. Current reports indicate that stocks in Northern European ports are now beginning to decline as a result of the reopening of the waterways to inland shipments. French port stocks have also been declining recently, but some accumulation is reported from Naples.

Farm stocks of wheat in Northern Europe now appear to be below those of last year, but reports from the Danube Basin, particularly Hungary and Yugoslavia, indicate that surpluses available for export are probably above last year at this time. In Northern Europe the rather large supplies between production districts and consuming centers tend to offset the reduced stocks in producers' and milling hands, but there is no doubt that domestic stocks generally have been rapidly reduced in the past few months, and that domestic wheat will exert no great pressure during the balance of the season.



Reports from many parts of the Continent, which have been confirmed by correspondence with farmers in different districts, indicate that feeding of bread grain to livestock has been important this year, in some sections even larger than last year, when feeding was also relatively large because of weather damage to the bread grain crops.

Reports on the condition of fall sown grains became generally more favorable during March. At the end of the month it appeared that no more than normal winter kill was probable over the Continent as a whole, although some damage was reported in parts of Rumania and a few other sections in the Danube Basin, and in Western Europe. Reports from all these regions at the present time, however, are becoming more optimistic. In Eastern Europe the ground is still frozen, and it is too early to judge as to the condition of the seeds, but even here the outlook now appears relatively favorable.

#### Germany

The German bread grain market was relatively firm during March, and the volume of business increased somewhat as compared with February, when weather conditions interfered greatly with the normal functioning of the trade. The flow of wheat to interior consuming centers, which have been partially shut off from their usual supplies for many weeks, has again been resumed, both from the ports and from inland producing districts. Although market receipts have increased, stocks are still light to moderate, particularly in the case of overseas grain. Port stocks are reported beginning to decline as a result of the resumption of inland shipments, but it appears that stocks of domestic grain in trade hands between producers and the flour mills are still rather large. Nevertheless, the improvement in transportation is bringing about a more normal distribution of stocks throughout the country.

The rather depressing influence exerted on the import market by the accumulation of grain in Hamburg during January and February, gave way after the beginning of March to a more favorable tone, although transactions have continued to be mainly of a hand-to-mouth character. Arrivals of wheat in Hamburg during the first three weeks of March were slightly smaller than in the same period in February, but actual imports into the country, both at the seaport and over the Dutch border, were undoubtedly considerably larger than the small trade of the previous month when there was no traffic up the Rhine or on the inland waterways.

From February 15 to March 15 there was a considerable decrease in stocks of the bread grains in farmers hands and available for sale, so that on March 15 stocks of wheat in hands of Germany farmers were below those of the year previous. Farm stocks of wheat on March 15, 1929, amounted to 32 million bushels compared with 37 million bushels a year ago. Detailed figures of farm stocks and stocks available for sale of wheat and rye are shown on the following page.





## GERMANY: Farm stocks of bread grains, 1928 and 1929

Crop	Farm stocks		Stocks available for sale	
	March 15		March 15	
	1928	1929	1928	1929
	<u>1,000 bush.</u>	<u>1,000 bush.</u>	<u>1,000 bush.</u>	<u>1,000 bush.</u>
Winter wheat .....	31,629	26,711	24,187	16,535
Spring wheat .....	5,506	5,760	4,243	4,464
Winter rye .....	61,805	92,601	23,608	46,301
	February 15		February 15	
	1928	1929	1928	1929
Winter wheat .....	41,698	39,557	33,490	28,619
Spring wheat .....	6,891	7,502	5,528	6,177
Winter rye .....	80,638	121,043	34,218	61,514

Correspondence with farmers in various parts of Germany has confirmed previous reports that more than the usual amount of bread grains have been fed and are being fed to livestock this season. Farmers who usually feed no wheat or rye to livestock, this year are feeding both to hogs and cattle. Others who normally feed their poor quality grain have increased the amount being fed, even though the quality of their crop has been good this year. Some reports have indicated that as much as one-third of the hog rations in certain districts has consisted of bread grains, though this is probably exceptional. Generally speaking, it appears that large farmers are feeding little or none of the bread grains, but the small holders are feeding considerably more than normal.

## GERMANY: Price per bushel of domestic wheat and rye

Market and item	Feb. 27	Mar. 6	Mar. 13	Mar. 20	Mar. 27	Apr. 3
	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>
Hamburg, wheat ...	152.3	151.0	153.0	151.0	150.0	150.4
Breslau, wheat ...	140.7	142.6	145.9	148.5	144.6	144.6
Berlin, wheat ...	142.0	142.9	146.2	145.5	144.9	144.9
Berlin, rye .....	123.7	123.1	125.5	125.5	124.9	124.9

## France

Following a firm and active wheat and flour market during most of February, reports from France indicate a decided change during March. Flour mills covered their grain requirements for some time ahead during February and bought but little grain after the beginning of March, particularly so in case of domestic grain. As a consequence, the French wheat market occasionally has been even weaker than world markets, a development due partially to the more favorable views on the condition of



winter seedings. At the close of March, trade reports indicated very little business passing in domestic grain but some improvement in demand for overseas wheat. Current farm marketing of the domestic crop was also reported very light because of occupation with field work.

Latest reports on the condition of winter seedings state that the crop is in generally good shape, although winter killing is probably larger than last year. The weather was mild and spring like throughout March and enabled rapid progress with field work, although reports are beginning to indicate that some rain is needed.

France has been a comparatively light importer of grain so far this season and judging from supplies this year and last, should have substantial import requirements from now on.

#### Italy

Market reports from Italy indicate rather restricted business in overseas grain during March and the sale of flour was also reported slow. A considerable volume of foreign wheat continues to move to Italy, however, even though some accumulation of stocks at certain ports is reported, especially at Naples. Italy, until recently, has been a fairly heavy import taker of Hungarian as well as overseas wheat.

Italy's wheat import requirements during the remainder of the season will probably be large, though not of as great volume as during the corresponding months of last year. Imports during January and February show a noticeable decline and trade opinion affirms the probability of relatively smaller takings from now on.

#### Belgium

Reports from the Belgium market indicate relatively active business during the first half of March, but quietness in the latter half. Transactions during the first part of the month included a considerable volume of purchases through Rotterdam and Hamburg. Visible stocks of wheat at Antwerp at the same time rose from 735,000 bushels on February 28 to 1,653,000 bushels on March 15, as compared with 1,249,000 bushels on March 15 last year. Subsequent to the middle of the month, flour mills showed little interest in the market with prices tending to decline.

#### Holland

March reports from Holland show less activity on the wheat market than in February, and the accumulation of considerable wheat at the ports as a consequence of the interruption of water transportation until March 14. The volume of transactions was smaller than in February even though rather good business with Belgium developed in the first part of the month, and though Dutch and Lower Rhine flour mills showed some interest for Mani-tobas and Flates. Demand from the upper Rhine was very small.

#### Czechoslovakia and Austria

Czechoslovak and Austrian grain markets experienced generally active business during a good share of March, particularly around the middle of the month. Exhaustion of flour mills supplies of grain as a result of traffic





interruption and slow farm marketing were immediate causes of this activity, which served until the close of the month to strengthen prices in these markets in the face of weakness overseas. With a resumption of communications the latter part of March, the market weakened; nevertheless, the general supply situation appears stronger than some time ago.

#### The lower Danube basin

The Hungarian grain market did a considerable volume of business at firm prices during March, with exports going mainly to Austria and Czechoslovakia. Business with Italy came to a standstill in the latter part of the month, though prior to that time, and especially in February, good sales were made to Italy as well as Greece, Turkey and Switzerland. End of the month reports indicated relatively small offers on the part of farmers, as the resumption of the delayed field work has now taken the stage. There has recently been established in Hungary a so-called "export Institute", one of the plans of which is to set up standards for Hungarian wheat. If the farmers do not conform readily to the standards, it is reported that compulsory measures will be adopted to carry them through.

Yugoslav grain market reports during March indicate considerable dissatisfaction with the development of export business in both wheat and flour. Exports so far this season have been much larger than last year when the crop was practically a failure, but they do not come up to expectations aroused by this year's bumper production. Agricultural interests are endeavoring to secure a reduction in railroad rates on export grain. This effort partially represents an attempt to offset the advantage which Hungarian wheat is alleged to have in the form of a 50 per cent confidential rate rebate on Italian railroads.

#### Rumania

The development of Rumanian exports to date indicates that the shipments this season will, in all probability, be much smaller than had been expected. Up to the end of December, wheat exports totaled only 1,323,000 bushels as compared with 6,430,000 bushels the previous season, and since December the export movement of grain has been extremely small as the result of the severe winter. There are some stocks of grain awaiting bottoms at the river ports but most of this consists of barley.

Numerous recent reports seem to indicate that Rumania, leaving barley out of consideration, may possibly be a net importer of grain this year rather than an exporter. A significant occurrence is the development of import interest for Yugoslav wheat because of lower prices than prevail in Rumania. Under these conditions the outlook for exports is not favorable. Some Hungarian wheat is reported to have been purchased for reexport purposes. Certain German firms are reported to have granted credits to Rumania for financing the importation of corn and possibly some other grains for supplying the crop failure districts in Bessarabia. A Vienna grain firm is also reported as purchasing wheat and other grain in Rumanian surplus regions for shipment to Bessarabia. February reports speak of additional credits for supplying seed grain in the same region.



## Wheat balances, by countries, 1926-1928

Country, item and period	Year beginning July 1		
	1926	1927	1928
	1,000 bushels	1,000 bushels	1,000 bushels
<u>Germany</u>			
Production .....	95,429	120,522	141,563
Net imports:			
July-January .....	53,948	57,708	42,494
February .....	4,648	6,110	2,297
March-June .....	34,908	27,355	
Apparent utilization ..	188,933	212,295	
<u>Italy</u>			
Production .....	220,644	195,809	228,596
Net imports:			
July-January .....	40,147	36,053	51,500
February .....	9,409	6,985	5,700
March-June .....	37,598	13,653	
Apparent utilization ..	307,798	282,500	
<u>France</u>			
Production .....	231,767	276,128	277,657
Net imports:			
July-November .....	9,805	35,411	20,922
December .....	3,325	4,196	24,383
January-June .....	39,421	14,249	
Apparent utilization ..	284,318	329,984	
<u>Belgium</u>			
Production .....	12,601	16,277	17,773
Net imports:			
July-December .....	18,241	22,423	22,111
January .....	2,982	3,017	3,016
February-June .....	18,567	16,727	
Apparent utilization ..	52,591	58,444	
<u>Netherlands</u>			
Production .....	5,487	6,156	7,569
Net imports:			
July-January .....	16,434	18,957	17,698
February .....	2,049	1,996	1,984
March-June .....	2,710	10,019	
Apparent utilization ..	33,680	37,128	
<u>Czechoslovakia</u>			
Production .....	34,130	40,385	43,244
Net imports:			
July-November .....	2,343	8,927	6,884
December .....	2,293	2,781	1,357
January-June .....	2,356	10,513	
Apparent utilization ..	52,122	62,605	
<u>Switzerland</u>			
Production .....	4,244	4,113	4,277
Net imports:			
July-January .....	1,192	11,978	9,397
February .....	1,326	1,587	455
March-June .....	1,746	1,862	
Apparent utilization ..	21,408	22,546	

Continued-



## Wheat balances, by countries, 1926-1928, Cont'd.

Country, item and period	Year beginning July 1		
	1926	1927	1928
	1,000 bushels	1,000 bushels	1,000 bushels
<u>Greece</u>			
Production .....	12,403	12,978	15,876
Net imports:			
July-November .....	(	6,944	7,400
December .....	(19,502	1,580	1,984
January-June .....	(	10,472	
Apparent utilization ...	31,905	31,966	
<u>Denmark</u>			
Production .....	8,767	9,408	12,125
Net imports:			
July-December .....	3,083	4,647	7,290
January .....	516	797	1,447
February-June .....	3,054	5,036	
Apparent utilization ...	15,420	19,888	
<u>Poland</u>			
Production .....	47,080	54,230	59,230
Net imports:			
July-January .....	<sup>a/</sup> -320	2,460	3,192
February .....	378	92	234
March-June .....	7,236	5,063	
Apparent utilization ...	54,374	61,845	
<u>Sweden</u>			
Production .....	12,153	16,151	19,469
Net imports:			
July-December .....	2,766	4,869	3,895
January .....	235	536	661
February-June .....	2,939	3,398	
Apparent utilization ...	18,093	24,954	
<u>Norway</u>			
Production .....	586	605	676
Net imports:			
July-December .....	3,031	4,102	4,519
January .....	711	416	641
February-June .....	2,199	2,344	
Apparent utilization ...	6,527	7,467	
<u>Latvia</u>			
Production .....	1,860	2,636	2,499
Net imports:			
July-November .....	744	735	1,213
December .....	114	147	257
January-June .....	779	661	
Apparent utilization ...	3,497	4,159	

<sup>a/</sup> A minus sign denotes a net import.





Wheat prices

Beginning about the middle of March wheat prices in United States markets declined steadily until the end of the first week of April. The average price of all classes and grades, which stood at 117 cents per bushel for the week ending March 15, declined two cents the following week and then five cents more to 110 cents for the week ended March 29. The week ended April 5 it stood at 109 cents per bushel and then rose to 112 cents the week ended April 12.

Though the decline of prices has been shared by each of the classes of wheat, their courses have been quite different. No. 1 dark northern spring reached its peak of 139 cents per bushel late in February, declined fairly steadily to 128 cents for the week ended March 29 and then rose one cent per bushel for each of the two following weeks. No. 2 hard winter, while it reached its peak of 120 cents per bushel the week ended February 22, was within one cent of this figure the week ended January 25 and also the week ended March 15, showing no marked trend between these two dates. The course of prices of No. 2 red winter at St. Louis has been more like that of hard spring wheat, having been 145 cents per bushel the week ended February 22, 139 cents the week ended March 15, and 130 cents per bushel the week ended April 12.

Protein premiums on the hard wheats have fluctuated considerably, especially premiums on hard winter wheat. Save for the rather short period fluctuations, premiums on hard spring wheat have remained at about the same level for the past several months, while there has been some decline in the level of premiums on the hard winter wheats.

As shown by the accompanying charts, wheat prices to date for this season have followed a course similar to that of 1923-24, and world conditions are now quite similar to what they were in the spring of 1924. The level of prices at the end of the season and the beginning of the new season will depend largely upon the apparent size of the 1929 crop in North America and Europe; Canada will be of especial importance, partly because of the large size of her wheat acreage and partly because practically all of her production is spring wheat and it is still too early to appraise its probable outcome. Should the Canadian crop turn out to be short, as it was in 1924, prices would turn upward as this becomes evident.



WHEAT: Weighted average cash price per bushel at stated markets for  
corresponding weeks, 1928 and 1929

Week ended	All classes: No. 2 : No. 1 : No. 2 : Durum, all : No. 2											
	and grades: hard winter: dk.n. spring: amber durum: sub-classes: red winter											
	mix markets: Kansas City: Minneapolis: Minneapolis: and grades: St. Louis											
	1928	1929	1928	1929	1928	1929	1928	1929	1928	1929	1928	1929
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Feb. 1	131	117	131	117	143	131	128	132	121	107	152	144
8	130	117	129	117	140	131	126	132	118	107	152	139
15	131	119	133	118	140	136	127	129	120	109	155	141
22	134	120	136	120	145	139	129	130	123	107	158	145
Mar. 1	135	117	135	118	145	136	133	126	124	104	161	138
8	137	115	138	117	148	132	133	129	126	102	166	135
15	135	117	136	119	145	132	131	123	125	105	168	139
22	137	115	141	117	147	135	135	123	128	101	170	139
29	137	110	141	112	147	128	135	117	127	96	176	130
Apr. 5	140	109	143	110	151	129	135	---	128	95	181	130
12	143	112	144	114	152	130	140	118	132	98	186	130
19	156		156		167		146		139		199	
26	158		165		171		141		140		212	
May 3	162		169		174		148		140		220	
10	156		164		168		144		140		204	
17	147		151		160		136		134		181	
24	147		153		161		138		135		179	
31	146		155		161		136		131		183	

WINTER WHEAT: Area in specified countries, average 1909-1913, annual 1926-1929

Country	Harvest year						Percentage 1929 is of 1928
	Average 1909- 1913	1926	1927	1928	1929	1929 is Per cent	
	acres	acres	acres	acres	acres		
Canada a/	1,019	1,008	979	1,033	951	92.1	
United States a/	32,022	39,887	43,373	47,280	43,228	91.4	
Total	33,041	40,895	44,352	48,313	44,179	91.4	
Europe (9)	44,528	38,863	39,064	40,291	40,027	99.3	
North Africa (3)	6,531	8,139	7,181	7,352	7,838	106.6	
India, 2nd estimate	22,224	22,711	31,184	31,332	31,159	99.4	
Total above count. (15)	113,324	117,608	121,781	127,288	123,203	96.8	
Est. world total win- ter acreage ex.							
Russia and China	---	185,500	187,700	190,000	---	---	
Est. world total, winter and spring acreage ex. Russia and China	204,200	232,500	236,900	212,100	---	---	

a/ Area grown.





## WHEAT: Production, average 1909-1913, annual 1925-1928

Crop and countries reported in 1928 a/	Average 1909-1913	1925	1926	1927	1928	Percent- age 1928 is of 1927
	1,000	1,000	1,000	1,000	1,000	Per cent
	bushels	bushels	bushels	bushels	bushels	
United States .....	690,108	676,429	831,040	878,374	902,749	102.8
Canada .....	197,113	395,475	407,136	479,665	533,572	111.2
North America (3) ..	888,708	1,081,117	1,248,509	1,389,929	1,447,653	105.7
Europe (29) .....	1,348,170	1,390,839	1,304,746	1,261,573	1,321,571	110.3
Africa (6) .....	93,171	105,166	90,313	105,764	103,079	97.3
Asia (6) .....	337,827	383,500	379,236	389,635	335,396	86.5
Total N. Hemis. (44)	2,727,876	2,960,622	2,922,864	3,126,901	3,279,199	104.9
Total South. Hemis. (4)	250,107	324,879	399,370	377,940	431,145	114.1
Total above count (48)	2,977,983	3,285,501	3,322,734	3,504,841	3,710,344	105.9
Est. N. Hemis. total:						
ex. Russia and China:	2,759,000	3,067,000	2,979,000	3,131,000	3,305,000	103.9
Est. world total ex.:						
Russia and China ..:	3,041,000	3,435,000	3,420,000	3,605,000	2,780,000	104.9

a/ Figures in parenthesis indicate the number of countries included.

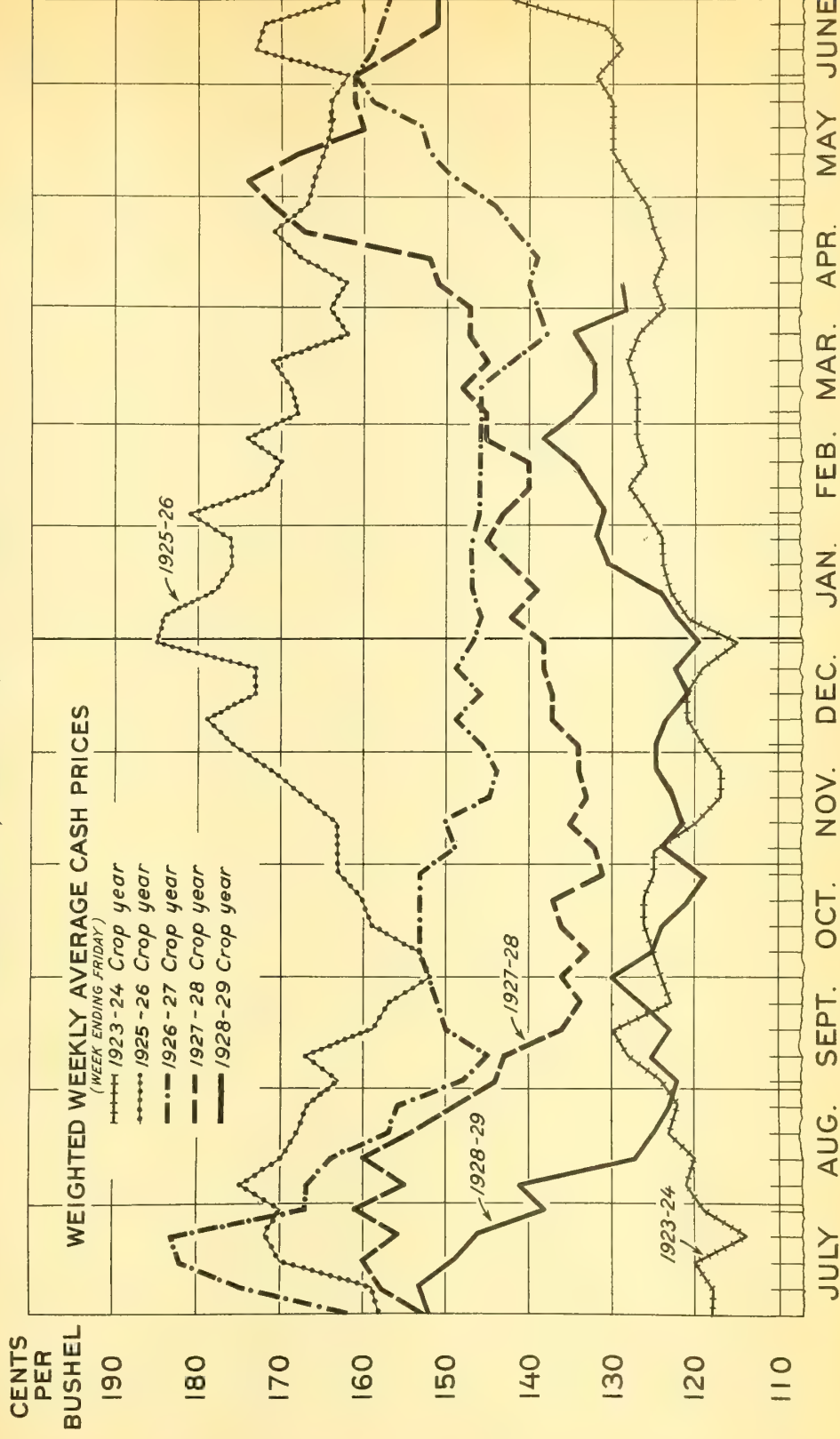
## WHEAT, INCLUDING FLOUR: Net exports from principal exporting countries and net imports into European importing countries 1927-28 and 1928-29

Net exports reported:				Net imports reported:			
Country	July 1: 1927-28	1928-29		Country	July 1: 1927-28	1928-29	
	to				to		
	Million	Million			Million	Million	
	bushels	bushels			bushels	bushels	
United States	Apr. 5:	175	: 113	United Kingdom	Feb. 28:	136	: 132
Canada	Feb. 28:	211	: 323	Italy	Jan. 31:	36	: 52
Russia	Apr. 5:	5	: a/	Germany	Jan. 31:	58	: 42
British India	Apr. 5:	9	: b/-2	France	Jan. 31:	43	: 28
Hungary	( )	( )	: )	Belgium	Jan. 31:	25	: 25
Rumania	( )	( )	: )	Netherlands	Jan. 31:	19	: 18
Bulgaria	(Apr. 5:)	4	: ) 2	Czechoslovakia	Dec. 31:	12	: 10
Yugoslavia	( )	( )	: )	Irish Fr. State	Jan. 31:	12	: 10
Algeria	Dec. 31:	1	: c/ 5	Switzerland	Feb. 28:	14	: 10
Argentina	Apr. 5:	126	: 150	Sweden	Jan. 31:	5	: 5
Australia	Apr. 5:	62	: 92	Norway	Jan. 31:	5	: 5
				Denmark	Feb. 28:	6	: 10
				Finland	Dec. 31:	2	: 3
				Poland	Jan. 31:	2	: 3
				Total import-			
Total		533	: 631	ant European:		375	: 363
				countries			

a/ Net exports. b/ Net imports. c/ August-December.



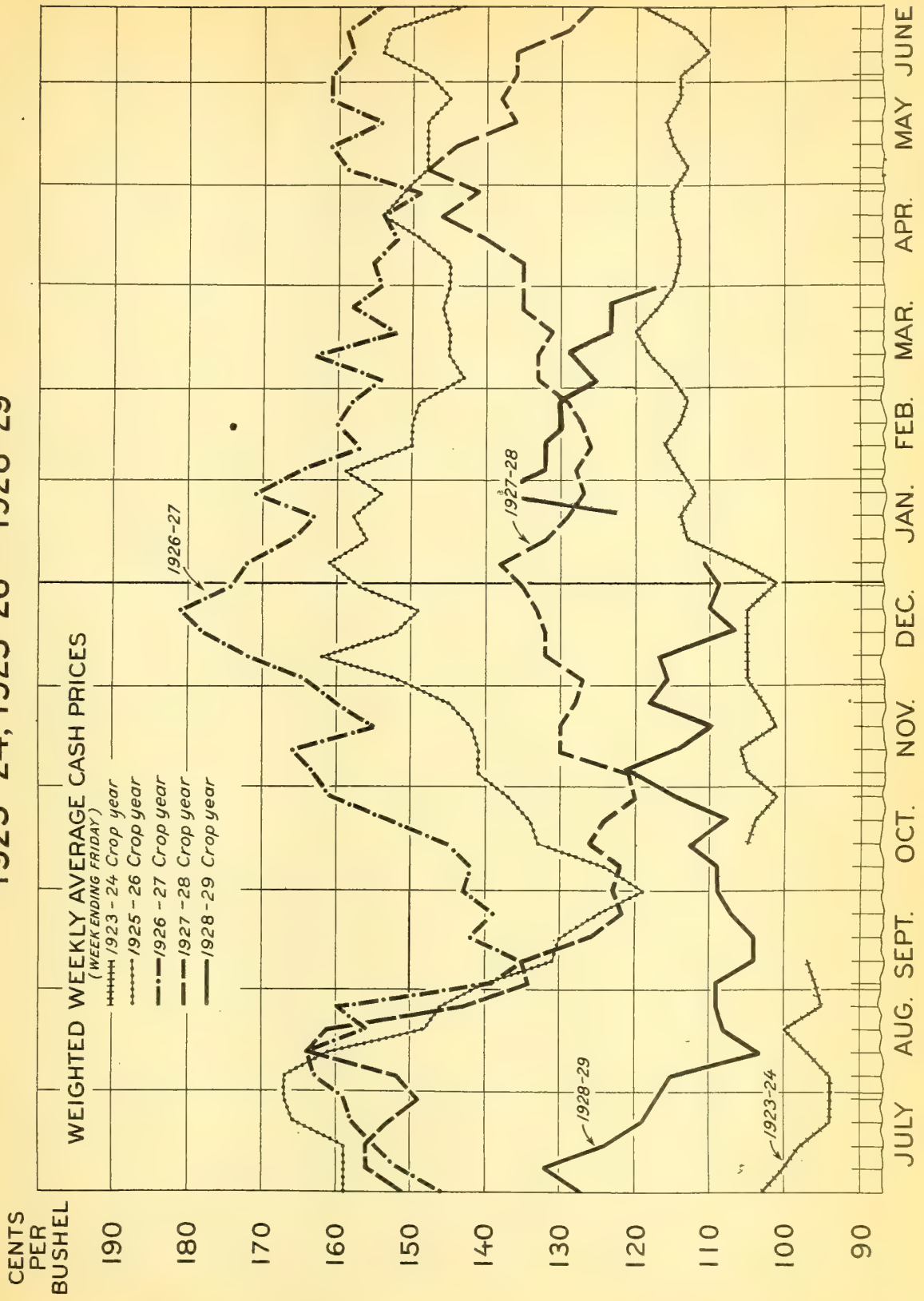
# WHEAT: PRICE OF NO.1 DARK NORTHERN SPRING AT MINNEAPOLIS 1923-24, 1925-26 — 1928-29





# WHEAT: PRICE OF No. 2 AMBER DURUM AT MINNEAPOLIS

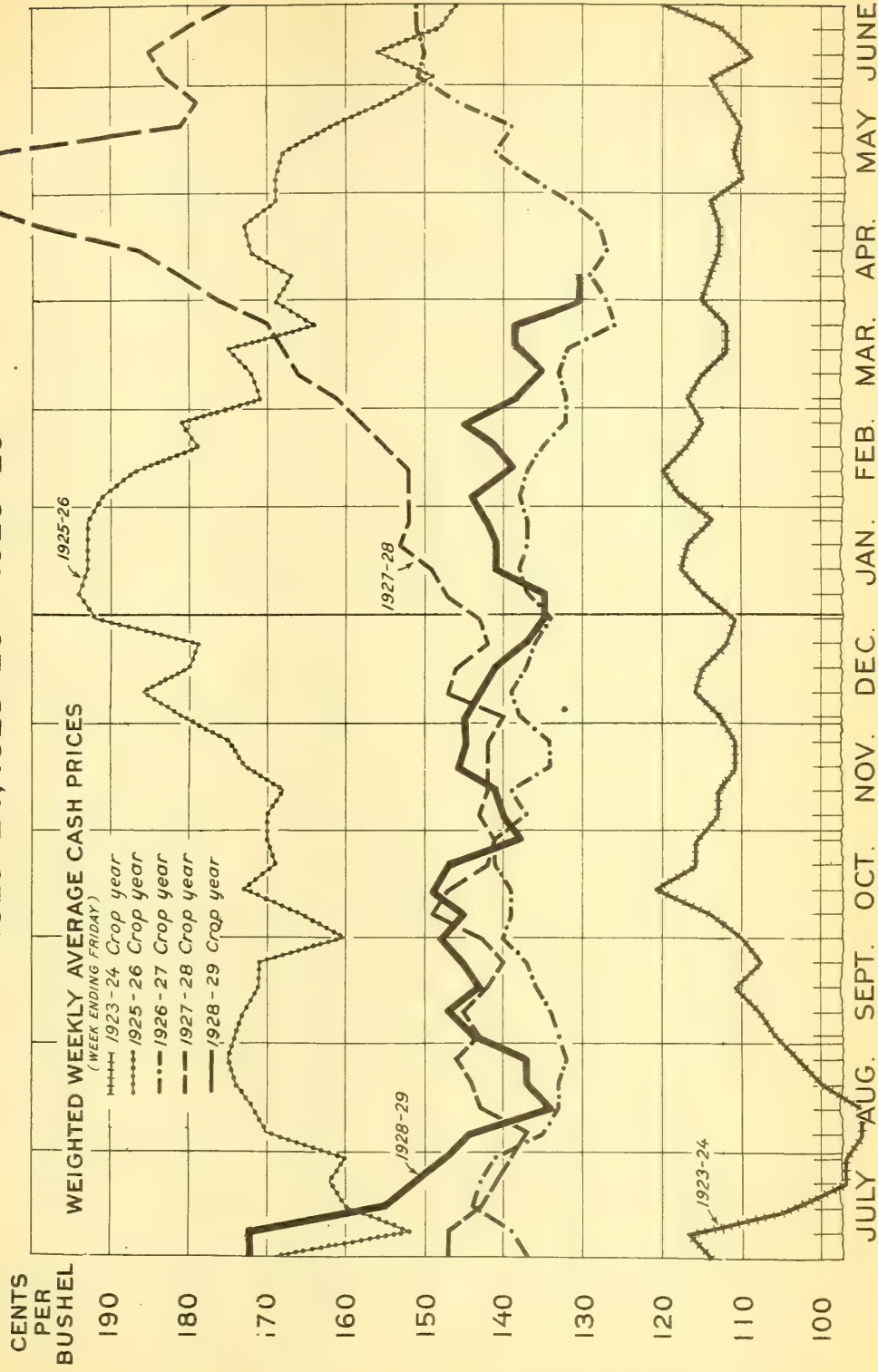
1923-24, 1925-26 — 1928-29





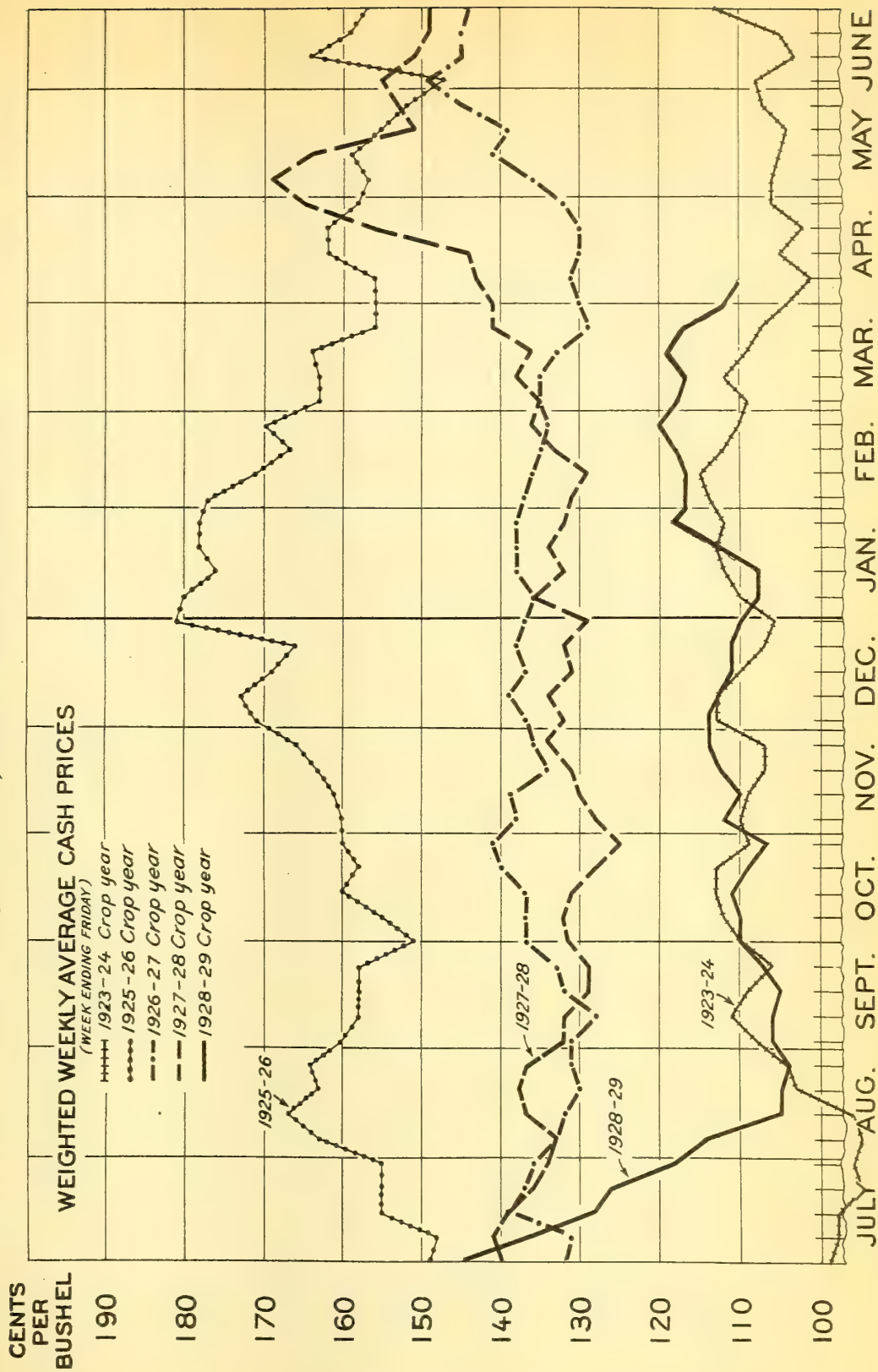


# WHEAT: PRICE OF NO. 2 RED WINTER AT ST. LOUIS, 1923-24, 1925-26 — 1928-29





# WHEAT: PRICE OF NO.2 HARD WINTER AT KANSAS CITY 1923-24, 1925-26 — 1928-29



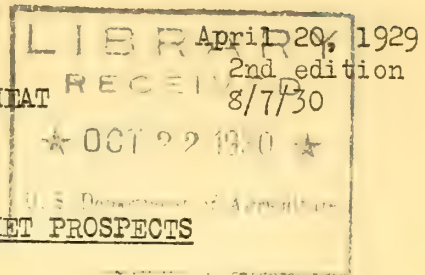




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UNITED STATES DEPARTMENT OF AGRICULTURE  
Bureau of Agricultural Economics  
Washington

F.S.  
WH-34

FOREIGN NEWS ON WHEAT



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WORLD WHEAT CROP AND MARKET PROSPECTS

Fifteen countries which have thus far reported their area of winter wheat for the 1929 harvest show a reduction of 3.2 per cent from their area of 1928, according to the Foreign Service of the Bureau of Agricultural Economics. The winter wheat area of these countries constituted 67 per cent of the winter wheat area and nearly 53 per cent of the area of all wheat in the world outside Russia and China. Canada, which occupies an especially dominant position with regard to the spring wheat crop of the world, reports an increase of about seven per cent in the total area prepared for all crops in the Prairie Provinces. Weather conditions, however, have been unfavorable in Canada and though there have been rains recently the crop may suffer from lack of moisture in the soil unless conditions from now on are favorable.

With condition of winter wheat being reported as generally favorable, prices have declined since the middle of March. The decline has been greater in the United States than in foreign markets and domestic prices reached a point where considerably more export business was done. Since domestic prices are now more definitely on an export basis, the outlook is favorable for a more rapid reduction in our visible supplies.

The opening of inland waterways in Europe has released stocks in northern European ports and has brought about a more normal distribution of supplies. Reports continue to indicate unusually heavy feeding of bread grains by European farmers and farm stocks of wheat in



northern Europe appear to be smaller than a year ago. Exports from the principal surplus producing countries continue to be much larger than last year, indicating the rapid consumption of the crop. Exports of wheat, including flour in terms of wheat, have been 681 million bushels against 583 million in the corresponding period of last year.

Rapid consumption gives promise of the carryover at the end of the season being brought down to levels not very greatly in excess of last year. Total stocks of Canadian wheat in Canada and the United States as of April 1 are officially reported at 244 million bushels which is only 8 per cent greater than a year ago. The greatest accumulation of wheat over stocks of a year ago is to be found in the United States. It is likely, consequently, that the principal increase in carryover will be found in the United States.

#### Wheat areas and conditions

Reports received to date indicate a 1929 winter wheat area about 3 per cent below that of 1928. Fifteen countries which in 1928 represented 67 per cent of the estimated world winter wheat area have reported a total of 123,203,000 acres against 127,288,000 acres in 1928, or a decrease of 3.2 per cent. The condition of winter wheat in the United States as of April 1 was better than average, having a reported condition of 82.7 per cent, compared with the very low condition of 68.8 per cent last year and the ten-year average of 80.9 per cent, according to the release of the United States Crop Reporting Board on April 9. Abandonment is not estimated until May 1, but judging from reports of correspondents concerning probable abandonment, the loss this year is likely to be below the ten-year average of about 12 per cent.

The area prepared for all crops in the Prairie Provinces of Canada is reported at 17,453,000 acres as compared with 16,296,000 acres prepared for the 1928 crops. There is an increase of new breaking in Alberta and Manitoba, while all three provinces report a decrease in the land under summer fallow but an increase in fall ploughing. A great part of these provinces have had less than normal precipitation since last autumn.

Recent reports from Europe are generally more favorable than those a month ago. Field work, however, has been greatly delayed by the late





spring. The official report of the condition of winter wheat in Germany as of April 1 showed a condition of 97 per cent of the average condition as of that date for the years 1919-1928 against 88 per cent as of April 1, 1928 and 109 per cent as of April 1, 1927. Although the development has been delayed, the cereals are looking fine, according to Agricultural Commissioner Steere at Berlin. The winter killing in Hungary was about normal, according to an official report dated March 27. Unofficial reports from Rumania and Austria indicate favorable conditions in those countries.

The wheat area as reported for Algeria, Tunis and Morocco is nearly 7 per cent above last year. Low temperatures retarded the germination of late sowings, but growth has been regular. Egypt has not issued an estimate of area sown but the official report as of April 1 showed a condition above average and above April 1, 1928.

The total area sown in India is estimated at 31,159,000 acres against 31,330,000 acres at the corresponding date last year, showing a decrease of 171,000 acres. The crop has been damaged by cold and frost but the damage is not serious in the important wheat growing sections of the Punjab and the United Provinces and, according to the latest official reports, the condition of the crop, on the whole, may be regarded as fair. The official estimate of production in the Punjab is 115,301,000 bushels against 103,189,000 bushels in 1928 and 123,091,000 bushels in 1927.

Agricultural Commissioner Nyhus at Shanghai reported that weather conditions in the Yangtze Valley have been favorable and the prospects for the new wheat crop are considered good. The weather conditions in Japan, however, have been less favorable than last year and on March 1 the condition of the wheat crop was below average.

#### Wheat production in 1928

The 1928 wheat production in 48 countries is estimated at 3,710,344,000 bushels against 3,504,841,000 bushels in 1927, an increase of 5.9 per cent. The estimates of wheat production in North America, Africa, and Asia have not been changed since the March issue of "Foreign News on Wheat". Those of several European countries have been revised upward during the past month, the increase amounting, in the aggregate, to about 11,000,000 bushels. The total production in 29 countries of Europe is now placed at 1,391,571,000 bushels against 1,261,573,000 bushels in 1927. These totals represent an increase of 10.3 per cent in the 1928 production, while the totals as published in March had shown an increase of 9 per cent. An increase of 7,000,000 bushels in the Czechoslovakian estimate and an increase of 5,000,000 bushels in the Polish estimate are the only important revisions, the others being for minor producing countries. The estimates of production in four Southern Hemisphere countries which in 1927 produced about 90 per cent of the estimated Southern Hemisphere total are now included in the total and are reported at 14 per cent above 1927. According to trade sources, shipments





of wheat from Argentina since January 1 have been about equal to those during the same period last year.

There has been no substantial change in the Russian grain situation although there are indications of a weakening in the procuring situation. The condition of the roads is an important factor in the collection of grain in the fall and spring and the season of poor roads began early this year. The bread rationing system which became effective in Moscow the middle of March appears to have been successful as bread sales have tended to decrease. The boycott of peasants who possess grain has also produced some effect on grains sales. This boycott takes various forms, a frequent one being the refusal of the cooperatives to sell industrial goods, except in exchange for grain.

#### Government aid for wheat growers in Switzerland

Government assistance to the Swiss wheat industry has been established on a permanent basis by an amendment to the Constitution as a result of the referendum held March 3, 1929, according to a report to the Foreign Service of the Bureau of Agricultural Economics from Asher Hobson, American Permanent Delegate to the International Institute of Agriculture at Rome. At present, Switzerland imports about 16,000,000 bushels of wheat annually, which represents approximately 75 per cent of her requirements. In view of the relatively small quantities involved in the Swiss wheat trade, the significance of the Amendment lies in the principle involved and the probable accompanying changes in Swiss agriculture rather than in any effect it may have on the world wheat supply situation.

The amendment, known as the "wheat peace", grew out of war-time measures adopted when near-famine conditions prevailed in Switzerland, Mr. Hobson reports. A government monopoly for the handling of bread grains was first instituted in 1917. Since the general decline of cereal prices in 1920, the Government of Switzerland has been granting substantial assistance to producers of cereals. Although this aid had its origin in a period of national emergency, it has been extended repeatedly for temporary periods in one form or another. The latest extension was to expire on June 30, 1929. Ever since the war, agrarian interests have been insisting that the emergency wheat monopoly measures be given permanent status. Earlier efforts to accomplish that object were successfully contested by the urban population. The fact that the present project is to be paid for by reimposing a statistical tax upon all goods passing the Swiss frontier and not by directly raising the price of bread is cited as an important influence in securing passage of the constitutional amendment.

A translation of part of the amendment follows:

"The Confederation (Federal Government) will hold sufficient reserves of wheat to guarantee the needs of the country. It may obligate the millers to warehouse wheat and to acquire reserve quantities in order to facilitate replacements.



"The Confederation encourages the growth of wheat in the country; it favors the selection and acquisition of native seed of good quality, and grants assistance to the producer cultivating wheat for his own uses, taking into particular consideration the mountainous regions. It buys native wheat of good quality, suitable for milling, at a price which admits of its cultivation. The miller may be obliged to buy this wheat on the basis of its market value.

"The Confederation guarantees the support of the national milling industry; it also safeguards the interests of the consumers of flour and bread. It controls, within the limits of its prerogatives, the trade in and prices of wheat, bread-making flour and bread. The Confederation will take the necessary measures to regulate the importation of bread-making flour; it may reserve itself the exclusive right to import this product. The Confederation, in case of need, will grant special facilities to the mills, so as to reduce their transportation fees within the country. Suitable measures will be taken to equalize the prices of flour.

"The statistical dues raised on all goods passing the Swiss frontier will again be enforced. The product of this tax will contribute to covering the expenditures occasioned by supplying the country with wheat."

In commenting upon the amendment, Mr. Hobson attaches significance to the provision for granting "assistance to the producer cultivating wheat for his own uses, taking into particular consideration the mountainous regions". For the past three years the government has paid a cash "milling premium" on wheat ground for the producer's consumption in his own home. The provision, accordingly, is designed to encourage the mountainous regions to become self-sufficient in the matter of bread cereals. These regions with their extensive pastures are prone to concentrate on milk production. If some of their efforts can be diverted to wheat, the market pressure of cheese from such areas might be lessened. It is expected that the milling premiums will be increased.

The terms of the amendment indicate that the government intends to pay more than the market price for native wheat if the market price is not sufficient to encourage wheat cultivation. The statement carrying that intent is popularly interpreted to mean that the government price for wheat grown in Switzerland will be higher than the world market level, according to Mr. Hobson. The native wheat will be sold to mills at its market value. The guaranteeing of remunerative prices to the grower and the selling of the wheat to the mills at market rates is expected to entail a loss. This loss is to be covered by "statistical dues raised on all goods passing the Swiss frontier."

The statement promising support to the national milling industry may indicate tariff protection for flour. Moreover, the government holds the exclusive right to import bread-making flour. The millers may import





wheat, but they can be compelled to buy the native grain. The plan proposes that each mill will utilize native wheat in the same proportion as it will utilize imported wheat. That is, if a mill grinds ten per cent of the country's wheat imports, it shall also utilize ten per cent of the domestic harvest.

SWITZERLAND: Area, production and imports of wheat, average 1909-1913, annual 1920-1928

Year	Area	Production	Imports a/
	<u>1,000 acres</u>	<u>1,000 bushels</u>	<u>1,000 bushels</u>
Average, 1909-1913	105	3,314	16,558
1920	119	3,586	12,103
1921	117	3,800	15,125
1922	110	2,550	13,962
1923	112	3,840	17,360
1924	104	3,112	14,216
1925	105	3,516	15,005
1926	127	4,244	16,109
1927	127	4,119	16,629
1928	127	4,270	b/ 16,834

Compiled by the Foreign Service of the Bureau of Agricultural Economics from official sources. Imports from Statistik der Auswärtigen Handels der Schweiz.

a/ Grain only. Wheat flour not reported for years 1920-1928; average of wheat including flour for 1909-1913 equals 18,835,000 bushels.

b/ Preliminary.

#### Continental European wheat situation

Continental import markets for wheat were relatively quiet during most of March, with the volume of purchases apparently assuming no greater proportions than in February. The weakening tendency of world prices under the continued pressure of heavy overseas wheat supplies, and the absence of bullish factors in the situation, served to restrict purchases largely to immediate requirements. It also appears that the continued stoppage of inland water traffic in Northern and Central Europe until the middle of March and after, with its resultant accumulation of larger stocks at the ports, contributed toward retarding the development of more active inquiry, as all reports indicate relatively light stocks of overseas grain at the mills and other inland points.

March developments in the domestic grain situation, however, seem to indicate improvement in the market position in many parts of the continent. Wheat prices in Central European markets until the very end of the month tended to move counter to world prices, the firmer tendency arising directly from restricted marketings from the farms coincident



with the exhaustion of mill stocks of grain because of transportation difficulties. The resumption of water traffic broke the rising tendency at the close of the month, but reports still indicate reduced farm marketing, the latter apparently due to the occupation of farmers with field work and, possibly, to the reduction of farm grain stocks to comparatively moderate levels. Continental grain trade reports now indicate general improvement in the domestic grain position, and evince belief that the market will show strength during the balance of the season even though world prices should continue weak.

Continental grain trade opinion on the world wheat market outlook was distinctly bearish at the end of March. Dealers did not envisage any significant, sustained improvement in prices with current and prospective shipments from the Southern Hemisphere and Canada continuing as large as now expected, particularly with the possibility of some decline in demand from China and India. This view is also supported by generally more favorable reports on the condition of continental winter grain crops as the month progressed, with present indications that winter damage for the continent as a whole will probably be no larger than normal and possibly even less than normal. The belief is expressed that only very unfavorable crop developments in one or more major producing areas, and unmistakable evidence of greatly increased consumption can bring about an upward trend in the market. The possibility of Russian purchases is at present of little or no influence, mainly because of the recent almost complete lack of reports from Russia.

The European grain stock situation remains somewhat obscured by the disruption of transportation during the cold weather, but the opening up of inland waterways since the middle of the month is now bringing about resumption of normal grain movements and the readjustment of stocks. Generally speaking, the stoppage of water shipments resulted in the accumulation of stocks in ports and in the hands of the grain trade between domestic producing districts and consuming centers. The mills, therefore, have had much reduced stocks during most of March, and stocks of grain at consuming centers, particularly overseas grain, are still reported small at the present time. This situation has doubtless been of influence in sustaining prices of domestic grain in recent weeks. Current reports indicate that stocks in Northern European ports are now beginning to decline as a result of the reopening of the waterways to inland shipments. French port stocks have also been declining recently, but some accumulation is reported from Naples.

Farm stocks of wheat in Northern Europe now appear to be below those of last year, but reports from the Danube Basin, particularly Hungary and Yugoslavia, indicate that surpluses available for export are probably above last year at this time. In Northern Europe the rather large supplies between production districts and consuming centers tend to offset the reduced stocks in producers' and milling hands, but there is no doubt that domestic stocks generally have been rapidly reduced in the past few months, and that domestic wheat will exert no great pressure during the balance of the season.





Reports from many parts of the Continent, which have been confirmed by correspondence with farmers in different districts, indicate that feeding of bread grain to livestock has been important this year, in some sections even larger than last year, when feeding was also relatively large because of weather damage to the bread grain crops.

Reports on the condition of fall sown grains became generally more favorable during March. At the end of the month it appeared that no more than normal winter kill was probable over the Continent as a whole, although some damage was reported in parts of Rumania and a few other sections in the Danube Basin, and in Western Europe. Reports from all these regions at the present time, however, are becoming more optimistic. In Eastern Europe the ground is still frozen, and it is too early to judge as to the condition of the seeds, but even here the outlook now appears relatively favorable.

#### Germany

The German bread grain market was relatively firm during March, and the volume of business increased somewhat as compared with February, when weather conditions interfered greatly with the normal functioning of the trade. The flow of wheat to interior consuming centers, which have been partially shut off from their usual supplies for many weeks, has again been resumed, both from the ports and from inland producing districts. Although market receipts have increased, stocks are still light to moderate, particularly in the case of overseas grain. Port stocks are reported beginning to decline as a result of the resumption of inland shipments, but it appears that stocks of domestic grain in trade hands between producers and the flour mills are still rather large. Nevertheless, the improvement in transportation is bringing about a more normal distribution of stocks throughout the country.

The rather depressing influence exerted on the import market by the accumulation of grain in Hamburg during January and February, gave way after the beginning of March to a more favorable tone, although transactions have continued to be mainly of a hand-to-mouth character. Arrivals of wheat in Hamburg during the first three weeks of March were slightly smaller than in the same period in February, but actual imports into the country, both at the seaport and over the Dutch border, were undoubtedly considerably larger than the small trade of the previous month when there was no traffic up the Rhine or on the inland waterways.

From February 15 to March 15 there was a considerable decrease in stocks of the bread grains in farmers hands and available for sale, so that on March 15 stocks of wheat in hands of Germany farmers were below those of the year previous. Farm stocks of wheat on March 15, 1929, amounted to 32 million bushels compared with 37 million bushels a year ago. Detailed figures of farm stocks and stocks available for sale of wheat and rye are shown on the following page.





GERMANY: Farm stocks of bread grains, 1928 and 1929

Crop	Farm stocks		Stocks available for sale	
	March 15		March 15	
	1928	1929	1928	1929
	1,000 bush.	1,000 bush.	1,000 bush.	1,000 bush.
Winter wheat .....	31,629	26,711	24,187	16,535
Spring wheat .....	5,506	5,760	4,243	4,464
Winter rye .....	61,805	92,601	23,608	46,301
	February 15		February 15	
	1928	1929	1928	1929
Winter wheat .....	41,698	39,557	33,490	23,619
Spring wheat .....	6,891	7,502	5,528	6,177
Winter rye .....	80,638	121,043	34,218	61,514

Correspondence with farmers in various parts of Germany has confirmed previous reports that more than the usual amount of bread grains have been fed and are being fed to livestock this season. Farmers who usually feed no wheat or rye to livestock, this year are feeding both to hogs and cattle. Others who normally feed their poor quality grain have increased the amount being fed, even though the quality of their crop has been good this year. Some reports have indicated that as much as one-third of the hog rations in certain districts has consisted of bread grains, though this is probably exceptional. Generally speaking, it appears that large farmers are feeding little or none of the bread grains, but the small holders are feeding considerably more than normal.

GERMANY: Price per bushel of domestic wheat and rye

Market and item	Feb. 27	Mar. 6	Mar. 13	Mar. 20	Mar. 27	Apr. 3
	Cents	Cents	Cents	Cents	Cents	Cents
Hamburg, wheat ...	152.3	151.0	153.0	151.0	150.0	150.4
Breslau, wheat ...	140.7	142.6	145.9	148.5	144.6	144.6
Berlin, wheat ....	142.0	142.9	146.2	145.5	144.9	144.9
Berlin, rye .....	123.7	123.1	125.5	125.5	124.9	124.9

France

Following a firm and active wheat and flour market during most of February, reports from France indicate a decided change during March. Flour mills covered their grain requirements for some time ahead during February and bought but little grain after the beginning of March, particularly so in case of domestic grain. As a consequence, the French wheat market occasionally has been even weaker than world markets, a development due partially to the more favorable views on the condition of



winter seedings. At the close of March, trade reports indicated very little business passing in domestic grain but some improvement in demand for overseas wheat. Current farm marketing of the domestic crop was also reported very light because of occupation with field work.

Latest reports on the condition of winter seedings state that the crop is in generally good shape, although winter killing is probably larger than last year. The weather was mild and spring like throughout March and enabled rapid progress with field work, although reports are beginning to indicate that some rain is needed.

France has been a comparatively light importer of grain so far this season and judging from supplies this year and last, should have substantial import requirements from now on.

### Italy

Market reports from Italy indicate rather restricted business in overseas grain during March and the sale of flour was also reported slow. A considerable volume of foreign wheat continues to move to Italy, however, even though some accumulation of stocks at certain ports is reported, especially at Naples. Italy, until recently, has been a fairly heavy import taker of Hungarian as well as overseas wheat.

Italy's wheat import requirements during the remainder of the season will probably be large, though not of as great volume as during the corresponding months of last year. Imports during January and February show a noticeable decline and trade opinion affirms the probability of relatively smaller takings from now on.

### Belgium

Reports from the Belgium market indicate relatively active business during the first half of March, but quietness in the latter half. Transactions during the first part of the month included a considerable volume of purchases through Rotterdam and Hamburg. Visible stocks of wheat at Antwerp at the same time rose from 735,000 bushels on February 28 to 1,653,000 bushels on March 15, as compared with 1,249,000 bushels on March 15 last year. Subsequent to the middle of the month, flour mills showed little interest in the market with prices tending to decline.

### Holland

March reports from Holland show less activity on the wheat market than in February, and the accumulation of considerable wheat at the ports as a consequence of the interruption of water transportation until March 14. The volume of transactions was smaller than in February even though rather good business with Belgium developed in the first part of the month, and though Dutch and Lower Rhine flour mills showed some interest for Manitobas and Plates. Demand from the upper Rhine was very small.

### Czechoslovakia and Austria

Czechoslovak and Austrian grain markets experienced generally active business during a good share of March, particularly around the middle of the month. Exhaustion of flour mills supplies of grain as a result of traffic





interruption and slow farm marketing were immediate causes of this activity, which served until the close of the month to strengthen prices in these markets in the face of weakness overseas. With a resumption of communications the latter part of March, the market weakened; nevertheless, the general supply situation appears stronger than some time ago.

#### The lower Danube basin

The Hungarian grain market did a considerable volume of business at firm prices during March, with exports going mainly to Austria and Czechoslovakia. Business with Italy came to a standstill in the latter part of the month, though prior to that time, and especially in February, good sales were made to Italy as well as Greece, Turkey and Switzerland. End of the month reports indicated relatively small offers on the part of farmers, as the resumption of the delayed field work has now taken the stage. There has recently been established in Hungary a so-called "export Institute", one of the plans of which is to set up standards for Hungarian wheat. If the farmers do not conform readily to the standards, it is reported that compulsory measures will be adopted to carry them through.

Yugoslav grain market reports during March indicate considerable dissatisfaction with the development of export business in both wheat and flour. Exports so far this season have been much larger than last year when the crop was practically a failure, but they do not come up to expectations aroused by this year's bumper production. Agricultural interests are endeavoring to secure a reduction in railroad rates on export grain. This effort partially represents an attempt to offset the advantage which Hungarian wheat is alleged to have in the form of a 50 per cent confidential rate rebate on Italian railroads.

#### Rumania

The development of Rumanian exports to date indicates that the shipments this season will, in all probability, be much smaller than had been expected. Up to the end of December, wheat exports totaled only 1,323,000 bushels as compared with 6,430,000 bushels the previous season, and since December the export movement of grain has been extremely small as the result of the severe winter. There are some stocks of grain awaiting bottoms at the river ports but most of this consists of barley.

Numerous recent reports seem to indicate that Rumania, leaving barley out of consideration, may possibly be net importer of grain this year rather than an exporter. A significant occurrence is the development of import interest for Yugoslav wheat because of lower prices than prevail in Rumania. Under these conditions the outlook for exports is not favorable. Some Hungarian wheat is reported to have been purchased for reexport purposes. Certain German firms are reported to have granted credits to Rumania for financing the importation of corn and possibly some other grains for supplying the crop failure districts in Bessarabia. A Vienna grain firm is also reported as purchasing wheat and other grain in Rumanian surplus regions for shipment to Bessarabia. February reports speak of additional credits for supplying seed grain in the same region.



## Wheat balances, by countries, 1926-1928

Country, item and period	Year beginning July 1		
	1926	1927	1928
	1,000 bushels	1,000 bushels	1,000 bushels
<u>Germany</u>			
Production .....	95,429	120,522	141,593
Net imports:			
July-January .....	53,948	57,708	42,494
February .....	4,648	6,110	2,297
March-June .....	34,908	27,955	
Apparent utilization ..	188,933	212,295	
<u>Italy</u>			
Production .....	220,644	195,809	228,596
Net imports:			
July-January .....	40,147	36,053	51,500
February .....	9,409	6,985	5,700
March-June .....	37,598	43,653	
Apparent utilization ..	307,798	282,500	
<u>France</u>			
Production .....	231,767	276,128	277,657
Net imports:			
July-November .....	9,805	35,411	20,922
December .....	3,325	4,196	24,383
January-June .....	39,421	14,249	
Apparent utilization ..	284,318	329,984	
<u>Belgium</u>			
Production .....	12,801	16,277	17,778
Net imports:			
July-December .....	18,241	22,423	22,111
January .....	2,982	3,017	3,016
February-June .....	18,567	16,727	
Apparent utilization ..	52,591	58,444	
<u>Netherlands</u>			
Production .....	5,487	6,156	7,569
Net imports:			
July-January .....	16,434	18,957	17,698
February .....	2,049	1,996	1,984
March-June .....	9,710	10,019	
Apparent utilization ..	33,680	37,128	
<u>Czechoslovakia</u>			
Production .....	34,130	40,385	48,244
Net imports:			
July-November .....	9,343	8,927	8,884
December .....	2,293	2,791	1,327
January-June .....	9,356	10,513	
Apparent utilization ..	55,122	62,606	
<u>Switzerland</u>			
Production .....	4,244	4,119	4,270
Net imports:			
July-January .....	11,098	11,978	9,397
February .....	1,376	1,537	455
March-June .....	4,746	4,862	
Apparent utilization ..	21,464	22,546	

Continued-



## Wheat balances, by countries, 1926-1928, Cont'd.

Country, item and period	Year beginning July 1		
	1926	1927	1928
	1,000 bushels	1,000 bushels	1,000 bushels
<u>Greece</u>			
Production .....	12,403	12,978	15,276
Net imports:			
July-November .....	(	6,944	7,400
December .....	(19,502	1,580	1,984
January-June .....	(	10,472	
Apparent utilization ...	31,905	31,966	
<u>Denmark</u>			
Production .....	8,767	9,408	12,125
Net imports:			
July-December .....	3,083	4,647	7,290
January .....	516	797	1,447
February-June .....	3,054	5,036	
Apparent utilization ...	15,420	19,888	
<u>Poland</u>			
Production .....	47,080	54,230	59,230
Net imports:			
July-January .....	<sup>a/</sup> -320	2,460	3,192
February .....	378	92	134
March-June .....	7,236	5,063	
Apparent utilization ...	54,374	61,845	
<u>Sweden:</u>			
Production .....	12,153	16,151	19,469
Net imports:			
July-December .....	2,766	4,869	3,895
January .....	235	536	661
February-June .....	2,939	3,398	
Apparent utilization ...	18,093	24,954	
<u>Norway</u>			
Production .....	586	605	676
Net imports:			
July-December .....	3,031	4,102	4,519
January .....	711	416	641
February-June .....	2,199	2,344	
Apparent utilization ...	6,527	7,467	
<u>Latvia</u>			
Production .....	1,860	2,636	2,499
Net imports:			
July-November .....	744	735	1,213
December .....	114	147	257
January-June .....	779	661	
Apparent utilization ...	3,497	4,179	

<sup>a/</sup> A minus sign denotes a net import.



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2. 1946-1947  
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711. 3364-3365  
712. 3366-3367  
713. 3368-3369  
714. 3370-3371  
715. 3372-3373  
716. 3374-3375  
717. 3376-3377  
718. 3378-3379  
719. 3380-3381  
720. 3382-3383  
721. 3384-3385  
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723. 3388-3389  
724. 3390-3391  
725. 3392-3393  
726. 3394-3395  
727. 3396-3397  
728. 3398-3399  
729. 3400-3401  
730. 3402-3403  
731. 3404-3405  
732. 3406-3407  
733. 3408-3409  
734. 3410-3411  
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736. 3414-3415  
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738. 3418-3419  
739. 3420-3421  
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744. 3430-3431  
745. 3432-3433  
746. 3434-3435  
747. 3436-3437  
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749. 3440-3441  
750. 3442-3443  
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753. 3448-3449  
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755. 3452-3453  
756. 3454-3455  
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759. 3460-3461  
760. 3462-3463  
761. 3464-3465  
762. 3466-3467  
763. 3468-3469  
764. 3470-3471  
765. 3472-3473  
766. 3474-3475  
767. 3476-3477  
768. 3478-3479  
769. 3480-3481  
770. 3482-3483  
771. 3484-3485  
772. 3486-3487  
773. 3488-3489  
774. 3490-3491  
775. 3492-3493  
776. 3494-3495  
777. 3496-3497  
778. 3498-3499  
779. 3500-3501  
7

Wheat prices

Beginning about the middle of March wheat prices in United States markets declined steadily until the end of the first week of April. The average price of all classes and grades, which stood at 117 cents per bushel for the week ending March 15, declined two cents the following week and then five cents more to 110 cents for the week ended March 29. The week ended April 5 it stood at 109 cents per bushel and then rose to 112 cents the week ended April 12.

Though the decline of prices has been shared by each of the classes of wheat, their courses have been quite different. No. 1 dark northern spring reached its peak of 139 cents per bushel late in February, declined fairly steadily to 128 cents for the week ended March 29 and then rose one cent per bushel for each of the two following weeks. No. 2 hard winter, while it reached its peak of 120 cents per bushel the week ended February 22, was within one cent of this figure the week ended January 25 and also the week ended March 15, showing no marked trend between these two dates. The course of prices of No. 2 red winter at St. Louis has been more like that of hard spring wheat, having been 145 cents per bushel the week ended February 22, 139 cents the week ended March 15, and 130 cents per bushel the week ended April 12.

Protein premiums on the hard wheats have fluctuated considerably, especially premiums on hard winter wheat. Save for the rather short period fluctuations, premiums on hard spring wheat have remained at about the same level for the past several months, while there has been some decline in the level of premiums on the hard winter wheats.

As shown by the accompanying charts, wheat prices to date for this season have followed a course similar to that of 1923-24, and world conditions are now quite similar to what they were in the spring of 1924. The level of prices at the end of the season and the beginning of the new season will depend largely upon the apparent size of the 1929 crop in North America and Europe; Canada will be of especial importance, partly because of the large size of her wheat acreage and partly because practically all of her production is spring wheat and it is still too early to appraise its probable outcome. Should the Canadian crop turn out to be short, as it was in 1924, prices would turn upward as this becomes evident.



WHEAT: Weighted average cash price per bushel at stated markets for  
corresponding weeks, 1928 and 1929

Week ended	All classes: No. 2 : No. 1 : No. 2 : Durum, all : No. 2 and grades : hard winter:dk.n.spring:amber durum:sub-classes:red winter six markets:Kansas City:Minneapolis:Minneapolis:and grades : St. Louis 1928 : 1929 : 1928 : 1929 : 1928 : 1929 : 1928 : 1929 : 1928 : 1929 : 1928 : 1929 Cents:Cents:Cents:Cents:Cents:Cents:Cents:Cents:Cents:Cents:Cents:Cents											
Feb. 1	131	117	131	117	143	131	128	132	121	107	152	144
8	130	117	129	117	140	134	126	132	118	107	152	139
15	131	119	133	118	140	136	127	129	120	109	155	141
22	134	120	136	120	145	139	129	130	123	107	158	145
Mar. 1	135	117	135	118	145	136	133	126	124	104	161	158
8	137	115	138	117	148	132	133	129	126	102	166	135
15	135	117	136	119	145	132	131	123	125	103	168	139
22	137	115	141	117	147	135	135	123	128	101	170	139
29	137	110	141	112	147	128	135	117	127	96	176	130
Apr. 5	140	109	143	110	151	129	135	---	128	95	181	130
12	143	112	144	114	152	130	140	118	132	98	186	130
19	156		156		167		146		139		199	
26	158		165		171*		141		140		212	
May 3	162		169		174		148		140		220	
10	156		164		168		144		140		204	
17	147		151		160		136		134		181	
24	147		153		161		138		135		179	
31	146		155		161		136		131		183	

WINTER WHEAT: Area in specified countries, average 1909-1913, annual 1926-1929

Country	Harvest year						Percentage 1929 is of 1928 Per cent
	Average	1926	1927	1928	1929		
	1909- 1913						
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres		
Canada a/	1,019	1,008	979	1,033	951	92.1	
United States a/	32,022	39,887	43,373	47,280	43,228	91.4	
Total	33,041	40,895	44,352	48,313	44,179	91.4	
Europe (9)	44,528	38,863	39,064	40,291	40,027	99.3	
North Africa (3)	6,531	8,139	7,181	7,352	7,838	106.6	
India, 2nd estimate	29,224	29,711	31,184	31,332	31,159	99.4	
Total above count. (15)	113,324	117,608	121,781	127,288	123,203	96.8	
Est. world total win- ter acreage ex.							
Russia and China	--	185,500	187,700	190,000			
Est. world total, winter and spring acreage ex. Russia and China							
	204,200	232,500	235,900	242,100			

a/ Area sown.





## WHEAT: Production, average 1909-1913, annual 1925-1928

Crop and countries reported in 1928 a/	Average 1909-1913	1925	1926	1927	1928	Percent- age 1928 is of 1927
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	Per cent
United States .....	690,108	676,429	831,040	878,374	902,749	102.8
Canada .....	197,119	395,475	407,136	479,665	533,572	111.2
North America (3) ...	898,708	1,081,117	1,248,509	1,369,929	1,447,653	105.7
Europe (29) .....	1,348,170	1,390,839	1,204,746	1,261,573	1,391,571	110.3
Africa (6) .....	93,171	105,166	90,313	105,764	103,079	97.8
Asia (6) .....	387,827	383,500	379,296	389,635	336,896	86.5
Total N. Hemis. (44)	2,727,876	2,960,622	3,222,864	3,126,901	3,279,199	104.9
Total South. Hemis. (4)	250,107	324,879	399,370	377,940	431,145	114.1
Total above count (48)	2,977,983	3,285,501	3,622,734	3,504,841	3,710,344	105.9
Est. T. Hemis. total:						
ex. Russia and China	2,759,000	3,067,000	2,979,000	3,131,000	3,305,000	103.9
Est. world total ex.:						
Russia and China ...	3,041,000	3,435,000	3,420,000	3,605,000	2,780,000	104.9

a/ Figures in parenthesis indicate the number of countries included.

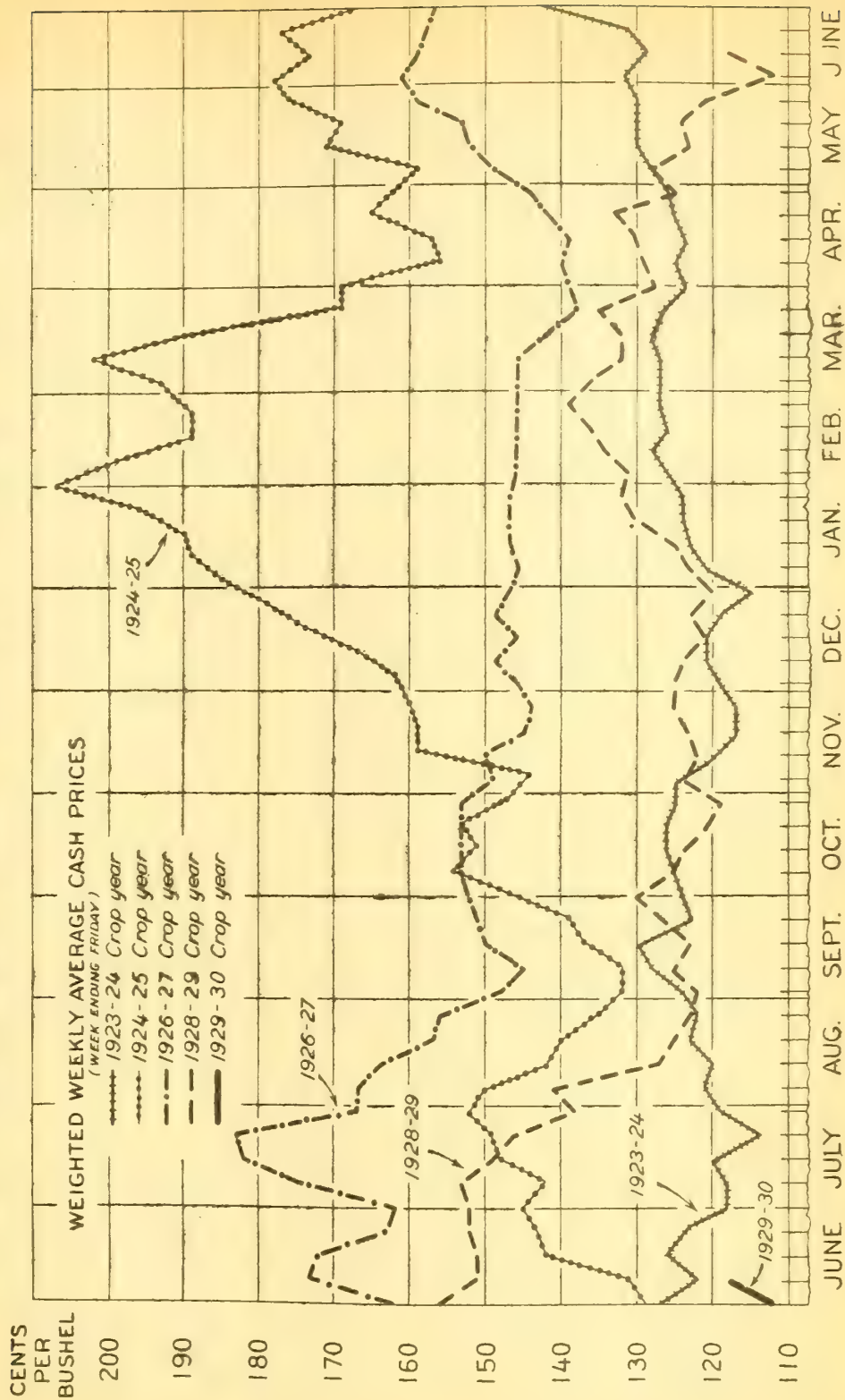
WHEAT, INCLUDING FLOUR: Net exports from principal exporting countries  
and net imports into European importing countries 1927-28  
and 1928-29

Country	Net exports reported: July 1, 1927-28 to	1928-29	Country	Net imports reported: July 1, 1927-28 to	1928-29
	Million bushels	Million bushels		Million bushels	Million bushels
United States	Apr. 5: 175	113	United Kingdom	Feb. 28: 136	132
Canada	Feb. 28: 211	323	Italy	Jan. 31: 56	52
Russia	Apr. 5: 5	a/	Germany	Jan. 31: 58	42
British India	Apr. 5: 9	b/-2	France	Jan. 31: 43	28
Hungary	( )	( )	Belgium	Jan. 31: 25	25
Rumania	( )	( )	Netherlands	Jan. 31: 19	18
Bulgaria	Apr. 5: 4	2	Czechoslovakia	Dec. 31: 12	10
Yugoslavia	( )	( )	Irish Fr. State	Jan. 31: 12	10
Algeria	Dec. 31: 1	c/ 3	Switzerland	Feb. 28: 14	10
Argentina	Apr. 5: 126	150	Sweden	Jan. 31: 5	5
Australia	Apr. 5: 52	92	Norway	Jan. 31: 5	5
			Denmark	Feb. 28: 6	10
			Finland	Dec. 31: 2	3
			Poland	Jan. 31: 2	3
			Total import-		
Total	563	631	ant European:	375	353
			countries		

a/ Less than .01 million bushels. b/ Net imports. c/ August-December.

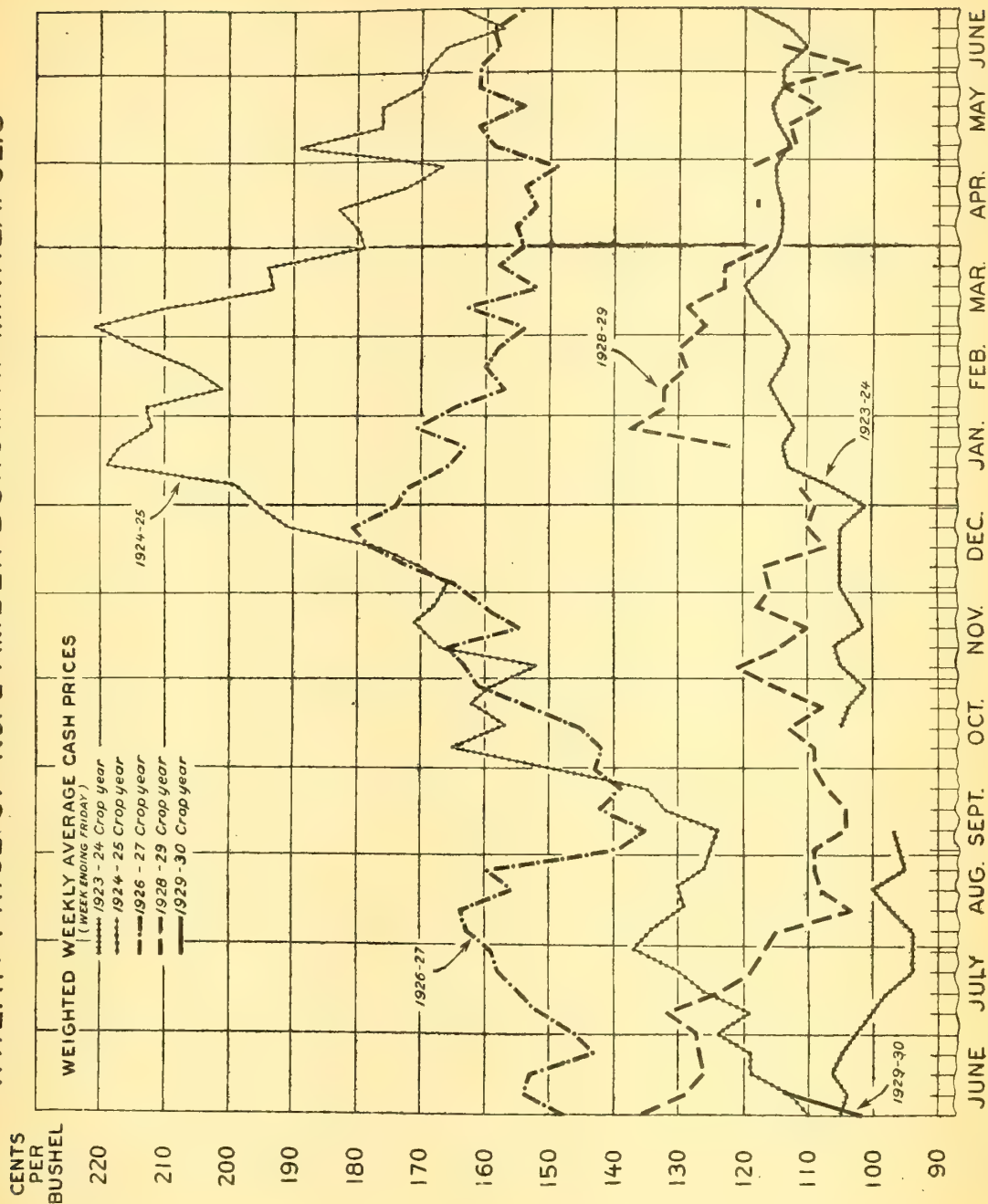


# WHEAT: PRICE OF NO. 1 DARK NORTHERN SPRING AT MINNEAPOLIS





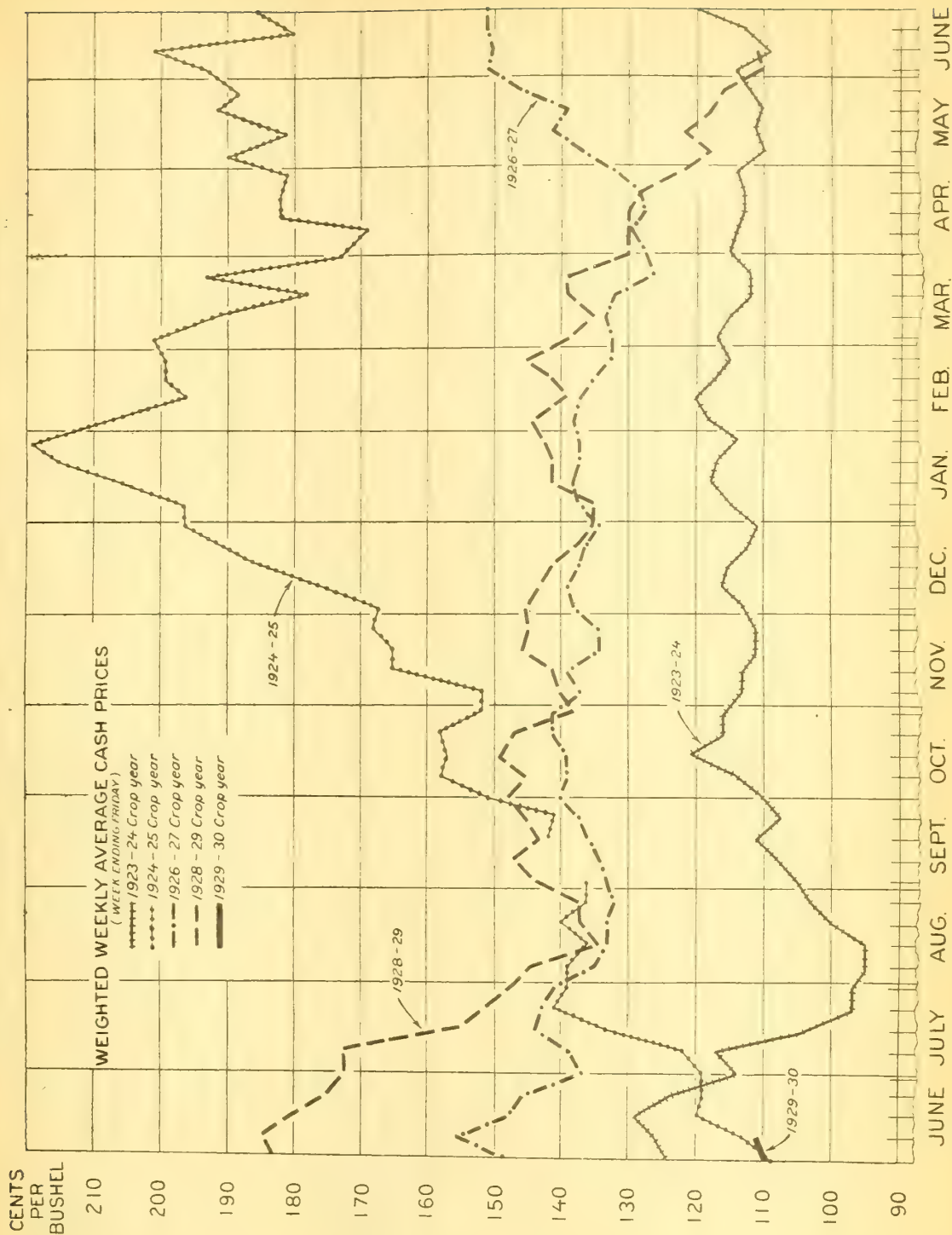
# WHEAT: PRICE OF No. 2 AMBER DURUM AT MINNEAPOLIS





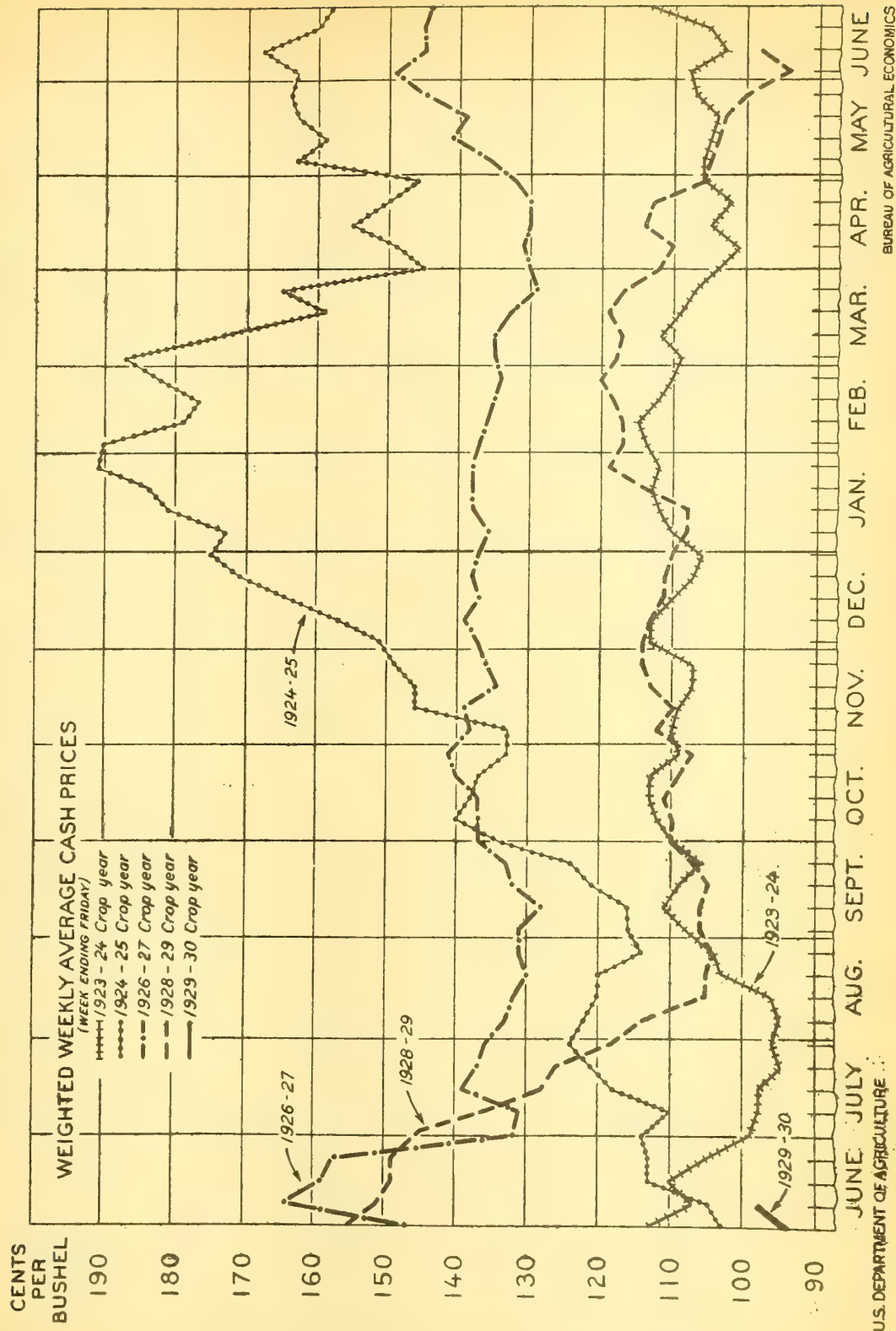


# WHEAT: PRICE OF No. 2 RED WINTER AT ST. LOUIS





# WHEAT: PRICE OF NO. 2 HARD WINTER AT KANSAS CITY







UNITED STATES DEPARTMENT OF AGRICULTURE  
Bureau of Agricultural Economics  
Washington



F.S.  
WH-35

FOREIGN NEWS ON WHEAT

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WORLD WHEAT CROP AND MARKET PROSPECTS

The recent drop in wheat prices appears to have been due to concern over the prospects of ending the season with an increased carryover, and harvesting another good crop in 1929. In the United States the large visible supply in the face of an increase in the area of winter wheat to be harvested has made a great impression upon the wheat markets. Some increase in the world carryover seems certain but most of it will be in the United States. The present prospects are for a fairly good crop of winter wheat in the United States, but the outturn of the world's crop is still very uncertain. A realization of only average yields in some of the important producing countries would result in a crop enough smaller than last year to offset the increase in carryover.

Looking forward to next year, the tendency for world consumption to increase should not be overlooked. Beginning the year with an increase of nearly 240 million bushels in supply, the disappearance of wheat to date appears to be something over 100 million bushels in excess of the disappearance in the corresponding period of last season. The supply for the present season has been about 8 per cent greater than for the 1923-24 season and has sold at slightly higher prices. This indicates that should the world supply of wheat for next season be as great as it has been for the present season prices would probably average a little higher.



## WHEAT: World supply, 1923-24 - 1928-29

Season	World production	Shipments from Russia	Stocks accounted for July 1	Total supply
	Million bushels	Million bushels	Million bushels	Million bushels
1923-24....	3,551	21	305	3,877
1924-25....	3,143	1	335	3,479
1925-26....	3,435	27	268	3,730
1926-27....	3,420	49	257	3,726
1927-28....	3,640	5	323	3,968
1928-29....	3,805	0	399	4,204

## Wheat prices

Wheat prices continued to decline into May but the decline now seems to have been checked. In the United States farm prices the middle of April averaged 99.8 cents per bushel, a decline of 5 cents from the middle of March. Market prices indicate that farm prices for May will average considerably lower. All classes of wheat have participated in the decline. Soft red winter has dropped farthest; the price of No. 2 soft red winter at St. Louis dropped from an average of 130 for the week ended April 12 to 118 cents per bushel for the first week of May. All classes of wheat are now on about the same level as at the corresponding point in the 1923-24 season.

Prices of wheat to some producers in the United States may be affected by changes in the production of the kind of wheat they produce. Conditions as of May 1 indicate a soft red winter wheat crop considerably larger than last year and the supply for the next season may be large enough to hold the price of soft red winter wheat very close to the world market basis or on a level with the price of hard red winter wheat for a part of the year at least. The indicated reduction in the production of hard winter wheat, on the other hand, will be offset largely by an increase in carryover and the price of this wheat will remain close to an export basis. Reductions in freight rates may stimulate exports and tend to bring the prices of all wheats in the markets of the United States closer to Liverpool prices.

Prices of all classes of wheat are likely to fluctuate greatly with reports of crop prospects in the next two months. It now seems fairly certain, however, that wheat prices in the United States are at about the low level for the current season. There is now evidence of a tendency for prices to rise but heavy marketings of new wheat and favorable crop reports may again temporarily depress prices. Reports of prospects for the Canadian crop will be an important factor in determining the course of prices through the next few weeks. Indications that an average or less than average crop in Canada were fairly certain, would raise the spring wheat price level for the beginning of the next season and strengthen the market for all wheats.



WHEAT: Weighted average cash price per bushel at stated markets for  
corresponding weeks, 1928 and 1929

All classes: No. 2 : No. 1 : No. 2 : Durum, all : No. 2												
Week and grades: hard winter: dk. n. spring: amber durum: sub-classes: red winter												
Selling markets: Kansas City: Minneapolis: Minneapolis: and grades: St. Louis												
1928: 1929: 1928: 1929: 1928: 1929: 1928: 1929: 1928: 1929: 1929												
Cents: Cents: Cents: Cents: Cents: Cents: Cents: Cents: Cents: Cents: Cents: Cents												
Feb. 1:	131	117	131	117	143	131	128	132	121	107	152	144
8:	130	117	129	117	140	134	126	132	118	107	152	139
15:	131	119	133	118	140	136	127	129	120	109	155	141
22:	134	120	136	120	145	139	129	130	123	107	158	145
Mar. 1:	135	117	135	118	145	136	133	126	124	104	161	138
8:	137	115	138	117	148	132	133	129	126	102	166	135
15:	135	117	136	119	145	132	131	123	125	105	168	139
22:	137	115	141	117	147	135	135	123	128	101	170	139
29:	137	110	141	112	147	128	135	117	127	96	176	130
Apr. 5:	140	109	143	110	151	129	135	---	128	95	181	130
12:	143	112	144	114	152	130	140	118	132	98	186	130
19:	156	112	156	113	167	133	146	---	139	98	199	128
26:	156	107	165	106	171	125	141	119	140	98	212	122
May 3:	162	107	169	105	174	128	148	112	140	99	220	118
10:	156	101	164	104	168	123	144	113	140	95	204	122
17:	147		151		160		136		134		181	
24:	147		153		161		138		135		179	
31:	146		155		161		136		131		183	

WHEAT: Closing prices of May futures

Date	Chicago		Kansas City		Minneapolis		Winnipeg		Liverpool		Buenos Aires a/	
	1928:	1929:	1928:	1929:	1928:	1929:	1928:	1929:	1928:	1929:	1928:	1929:
	Cents:	Cents:	Cents:	Cents:	Cents:	Cents:	Cents:	Cents:	Cents:	Cents:	Cents:	Cents:
Mar. 28:	144	122	135	114	130	118	145	127	153	130	134	111
Apr. 4:	143	118	134	111	136	115	145	124	153	128	135	109
11:	149	121	140	114	141	118	150	125	157	130	137	108
18:	158	117	150	110	150	115	154	123	161	127	141	106
25:	160	113	152	105	151	111	152	120	160	122	141	106
May 2:	157	113	152	106	152	114	152	122	160	121	142	105
9:	152	104	150	96	148	103	151	111	159	114	142	96
16:	146		142		143		145		153		138	

a/ Prices are of day previous to date of other market prices.





## United States wheat stocks by classes

The bulk of the present large stocks in the United States consists of hard spring and hard winter wheats. At this time of year considerable stocks of hard spring wheat are necessary in order to provide for requirements until the new spring sown crop is available, and it appears that there is no great surplus of hard spring wheats to be carried over into the next crop year or to be exported. With the new crop of hard winter wheat soon to be harvested, however, it appears that stocks of this class are burdensome and large quantities must be carried into the new season or exported.

Bradstreet's visible supply of wheat in the United States for May 4 is 113.8 million bushels, an increase of 53.3 million as compared with May 5 of last year. The increase of stocks over last year is primarily in the large terminal markets. Four-fifths of the increase is to be found in the six primary markets, Minneapolis, Omaha, Wichita, Kansas City, Chicago and St. Louis.

In Minneapolis the increase of stocks over last year is primarily in spring wheats. The better qualities (that is the sub-classes of hard spring and dark northern spring) have decreased by over two million bushels, while stocks of the poorer quality (northern spring) have increased by 8.7 million bushels. Winter wheat stocks in Minneapolis have increased only .2 million bushels, durum wheat by .1 million bushels and "other wheats" have increased to the extent of 4.8 million bushels. At Duluth there has been very little change as compared with a year ago, spring wheat stocks being almost exactly the same, winter wheat having decreased by about one million bushels, and durum wheat stocks having increased by a little less than one million bushels.

At Omaha stocks have increased a little over 6 million bushels and this increase no doubt consists primarily of hard winter wheats. Kansas City stocks have also increased by 12.6 million bushels and probably consist almost altogether of hard winter wheat.

At Chicago there has been a total increase in stocks, according to Bradstreet's visible of 10 million bushels; 7.6 of this was in the stocks of "regular" elevators. Of this latter amount one million of the increase has been in northern spring wheat and 5.6 million in winter wheats. Red winter wheat stocks are small, being only 46 thousand bushels as compared with 38 thousand a year ago. Soft white wheats at 2.0 million bushels are 15.0 million below the level of a year ago. At St. Louis, where there has been an increase of two million bushels over a year ago, the increase has again been primarily in hard winter wheats. Soft winter wheat stocks are considerably larger than the very small amounts of a year ago but are nevertheless comparatively light.

March 31 mill stocks of wheat likewise indicate that the principal increase over last year is to be found in the hard winter wheats, with a smaller increase in hard spring wheat, and only a very small increase in soft wheats. This is indicated by compiling mill stocks by states. The six States



which would be expected to have stocks consisting primarily of hard spring wheat are Minnesota, New York, Montana, North Dakota, South Dakota and Wisconsin. In these States stocks at the end of March, 1929, were 21.3 million bushels against 16.4 million bushels a year previous. In the six principal hard winter wheat milling States, Kansas, Missouri, Texas, Nebraska, Oklahoma, and Colorado, on the other hand, stocks in mills and mill elevators amounted to 33.4 million bushels against 25.4 million a year ago, an increase of 8.0 million. The States of Washington, Oregon, California and Idaho show a slight decrease in mill stocks. The principal States in which mill stocks can be expected to consist almost entirely of soft winter wheat had virtually no more wheat than the year before.

WHEAT: Stocks in the United States, April 1, 1926 to 1929

Position - April 1	1926	1927	1928	1929
	<u>1,000 bu.</u>	<u>1,000 bu.</u>	<u>1,000 bu.</u>	<u>1,000 bu.</u>
Mills and elevators				
attached to mills <u>1/</u> ...	49,758	65,554	62,887	78,757
In transit and bought to				
arrive <u>1/</u> .....	3,569	6,982	10,019	9,185
Commercial <u>2/</u> .....	35,750	49,910	68,791	124,764
Country mills and				
elevators March 1 <u>3/</u>	76,376	85,928	75,428	78,411
Farms, indicated April 1	80,583	104,431	88,824	132,813
Total, United States	246,036	312,805	305,949	423,930

- 1/ Census reporting mills raised to represent all mills (March 31 taken as April 1).
- 2/ Interpolated from change shown by Bradstreet's report on Visible Supply, April 1926 to April 1927; later years, Bureau of Agricultural Economics.
- 3/ The Bureau of Agricultural Economics estimates of stocks of wheat in country mills and elevators. These estimates are based upon reports received from a sample of from 10 to 20 per cent of the country mills and elevators of the country. The list of elevators to which the inquiry is sent does not duplicate in any way the mills from which reports are received by the Bureau of the Census, nor the city elevators covered by the commercial grain stocks reports. The Bureau has collected for four years, as of April 1, July 1, October 1, and January 1, sample data on about 25,000 farms of stocks of wheat on farms, coincident with an inquiry on number of bushels produced in the preceding year on the same farm. The percentage that stocks bear to production has been related to the estimated total production in each state and an aggregate, indicated figure of stocks on farms computed. Because the lists from which these sample data are collected are known to be made up of farmers of somewhat above average ability and financial status, it is felt by the Department that these indicated stocks are probably slightly above the facts.





Reduction in export rates on wheat

The railway freight rate on wheat moving ex-lake from Buffalo and other lower lake ports to North Atlantic ports, including New York, Boston, Philadelphia, and Baltimore, for export, was reduced 3.33 cents per hundred pounds, effective May 12, 1929. This reduction will remain in effect until September 30, 1929.

The regular rate on ex-lake wheat from Buffalo to New York and Boston for export is 15.17 cents per hundred pounds, which is equivalent to 9.1 cents per bushel. The reduction is equivalent to approximately 2 cents per bushel, making the emergency rate from Buffalo to New York 7.1 cents per bushel, and one-half cent per hundred pounds less to Philadelphia and Baltimore.

If the grain rates on the Great Lakes remain on substantially the same level of last season, the total cost of transportation from the head of the lakes to the North Atlantic seaboard will be approximately 9½ cents per bushel, exclusive of elevation and handling charges. This statement is based on an estimated rate from the head of the lakes to Buffalo of 2.44 cents per bushel, which is the average rate prevailing during 1928 from the beginning of navigation up to and including September 30, 1928.

Reductions in the rates on wheat and wheat flour moving for export from Chicago and St. Louis to the eastern seaboard are also proposed, as well as a reduction in the rates from certain primary market centers in the Middle West to the head of the lakes, to Chicago, to Mississippi river points, and to the ports on the Gulf seaboard. An application has also been filed with the Interstate Commerce Commission for a reduction in the rates on wheat moving via the Mississippi River Barge Line.

United States prospective supplies of wheat for the 1929-30 season

At this time a fairly definite idea can be had of the probable supplies of winter wheat which will be available in the United States with the coming of the new crop year. There is, of course, considerable uncertainty as to the amount which will be exported during the next six weeks, and forecasts of the winter wheat crop are also subject to considerable change as the result of developments in the weather between now and the harvesting of the crop. In the case of spring wheat, of course, there is at present no indication of probable yields and the expectation of spring wheat supplies cannot be nearly so reliable.

In general the winter wheat prospect is that stocks of hard winter wheat will be larger this year than last, while production will be smaller. In the case of soft winter wheat, on the other hand, production will be above the very low point of last year and stocks, though somewhat larger than a year ago, will be very small in relation to total production.



Based on the May forecast of winter wheat production, some indication may be had of the probable production of hard winter wheat. The indicated hard winter wheat production this year is 346 million bushels against 384 million for 1928. This probable reduction of 38 million bushels from last year's hard winter wheat crop appears to be nearly the same amount as the increase above a year ago in commercial stocks of hard winter wheat. Allowing then for some increase in the carryover of hard winter wheat on farms and some reduction during the next few weeks, in the excess of commercial stocks over last year, it appears that the total supply of hard winter wheat in the United States as of July 1 will not be very different from that of July 1, 1928.

Somewhat larger soft winter wheat supplies as of July 1 seem to be assured this year, for a crop of about 196 million bushels is to be expected against an estimated production of 140 million last year. This production of 196 million bushels compares with an estimated production of 182 million bushels during the past five years and such a crop would be large enough to place the United States on an export basis for soft winter wheat for a part of the year. Consequently, it is not to be expected that during the coming crop year prices of soft red winter wheat will be markedly higher than those of the hard varieties as they have been during the past season.

The area of wheat in 17 countries reporting to date is estimated at 137,269,000 acres, an increase of 4.2 per cent over that of 1928. The area of winter wheat reported in these countries last year amounted to 54 per cent of the area of all wheat outside of Russia and China harvested.

#### World areas to be harvested

Areas reported to date as seeded are smaller than in the same countries last year but a much lighter abandonment in the United States leaves the area to be harvested larger than last year. The abandonment in the United States is estimated at 6.4 per cent less than half the average abandonment in the past five years. Some further loss of acreage may occur, particularly in the Pacific Coast states and in parts of the Southwest where rain is needed. The area of winter wheat remaining for harvest according to the May 1 estimate is 40,467,000 acres, a 11.9 per cent increase over the area harvested last year.

The acreage reported by eleven European countries totals 56,562,000 acres, an increase of 1.4 per cent over last year. The winter wheat acreage in these countries last year represented nearly 30 per cent of the total European acreage excluding Russia.



It is possible, however, that increases in abandonment will offset the increase in area seeded. Reports indicate that abandonment in European countries will be a little greater than last year. Germany reports an abandonment of 4.9 per cent as compared with 2.8 per cent last year. Bulgaria reports a 20 per cent loss. Winter killing in Rumania and Poland now appears greater than expected earlier in the season. Official reports from Hungary complain of frost damage in April and of delay in crop developments. Heavier losses are expected in England and Wales. The reduction in acreage from winter killing in these countries, however, can not be definitely estimated.

Russia reports that winter killing has not been above normal and may be less than last year. The Ukraine and North Caucasus, however, report heavy winter killing, amounting to 10 per cent in each case. Since the area sown to all winter grains in the U.S.S.R. was 3 per cent less than for the harvest of 1928, it appears that the winter wheat area in Russia is probably no greater than, if as large as, last year.

The condition of the wheat crop in Europe seems to be quite variable. The season is late. The condition of the German crop deteriorated from April to May. Rains and warmer temperatures reported to be general over Europe in the week ending May 7 probably improved conditions, especially in western Europe where rains have been needed. Conditions in Italy on the whole are satisfactory. Recent rains have improved conditions in France.

Spring seedings are under way in the Northern Hemisphere, but it is too early to estimate the area being seeded. Farmers have indicated an intention to reduce slightly the spring wheat acreage in the United States. Conditions now appear to indicate some increase in Canada. The seeding completed up to May 1 compared favorably with that to May 1 of last year, according to the "Manitoba Free Press". The area summer fallowed in the Prairie Provinces for this season was somewhat less than for the 1928 season, but fall plowing and new breaking have increased. The total acreage prepared for wheat and other field crops is estimated to be 7 per cent greater than for 1928. Scarcity of moisture may have some effect upon seeding as well as the yields from this crop. According to the "Free Press", the moisture content of the soil is considered adequate for germination in Manitoba, but there is a general shortage of sub-soil moisture throughout the three provinces due to a dry fall and winter. From September 1 to May precipitation was only about 54 per cent of normal in Manitoba, 73 per cent in Saskatchewan, and 80 per cent in Alberta. During April, however, precipitation was above normal in western Canada excepting in southern Saskatchewan and eastern Manitoba. Indications of both acreage and condition will be closely watched through the next few weeks. The first official estimate of the area of spring seedings is scheduled for July 10.





BREAD GRAINS: Winter acreage in specified countries, average 1909-1913,  
annual 1926-1929

Crop and countries reporting <u>a/</u>	Harvest year					Percent-
	Average:					age 1929
	1909- 1913	1926	1927	1928	1929	is of 1928
	1,000	1,000	1,000	1,000	1,000	Per cent
	<u>acres</u>	<u>acres</u>	<u>acres</u>	<u>acres</u>	<u>acres</u>	
WHEAT						
Canada .....	1,019	844	853	819	898	109.6
United States .....	28,382	36,987	37,723	36,179	40,467	111.9
Total .....	29,401	37,831	38,576	36,998	41,365	111.8
Europe (11) .....	58,057	54,065	54,524	55,761	56,562	101.4
Africa (3) .....	6,531	8,139	7,181	7,352	7,638	106.6
India, 3rd estimate .....	29,224	29,899	30,952	31,678	31,504	99.5
Total above coun- tries (17) .....	123,213	129,934	131,233	131,789	137,269	104.2
Estimated world total, winter acreage ex- cluding Russia and China .....	-	185,500	187,700	190,000		
Estimated world total, winter and spring excluding Russia and China .....	204,200	232,500	236,900	242,100		
RYE						
Canada .....	117	601	566	599	538	89.8
United States .....	2,236	3,578	3,646	3,444	3,225	93.6
Europe (11) .....	25,947	21,873	22,005	24,898	25,164	101.1
Total above coun- tries (13) .....	28,300	26,052	26,221	28,941	28,927	100.0
Estimated Northern Hemisphere total excluding Russia and China .....	48,300	45,500	45,900	44,800		

a/ Figures in parenthesis indicate the number of countries included.



## World Stocks of Wheat

World wheat stocks are still considerably larger than last year. The world's visible supply of wheat April 1 was 116 million bushels greater than on April 1, 1928, according to Broomhall. Counting all reported stocks, including grain in farmers' hands and mill and elevator stocks not included in the visible supply in the United States and Canada, the total was about 170 million bushels in excess of last year. On the other hand, farm stocks in Germany and in England and Wales are reported to be less than last year and the condition in these countries may be indicative of the stocks in some of the other European countries.

A continuation of the rapid rate of disappearance will probably result in reducing stocks so that the carryover into the beginning of our new marketing season, July 1, will be only a little over 100 million bushels in excess of the carryover on July 1, 1928. Most of the carryover is likely to be in the United States. Stocks in Australia, Argentina and Canada are now but little larger than last year, and if exports continue approximately the same, the carryover in these countries will be but little in excess of last year. The stocks in the United States, on the other hand, are too large to be reduced to last year's level by the end of the season. The reduction in freight rates may stimulate exports but without very great effort, the stocks are not likely to be reduced below 200 million bushels, which would be 70 millions in excess of the carryover of last year.

## WHEAT: Stocks accounted for as of April 1

Position	April 1 1926	April 1 1927	April 1 1928	April 1 1929
	Million bushels	Million bushels	Million bushels	Million bushels
United States .....	246	312	306	424
Canadian wheat in bond in United States .....	(10)	(10)	12	24
Canada .....	159	174	226	244
Australia <u>1/</u> .....	31	53	36	53
Argentina <u>1/</u> .....	7	15	13	15
United Kingdom wheat stocks <u>2/</u> .....	7	3	6	6
Afloat <u>2/</u> .....	46	76	68	71
Total .....	506	643	667	837

1/ Visible supply only, reported by Broomhall.

2/ Broomhall.





## Australian wheat stocks

Australia harvested a much larger crop and still has on hand more wheat than she had a year ago. The visible supply as of April 1 amounted to 53 million bushels as compared with 36 million on April 1, 1928, according to Broomhall. But the Australian supply has been moving out rapidly and the supply of wheat in Australia, July 1, 1929, may not differ greatly from that of July 1, 1928.

Production of wheat in Australia has been estimated at 159 million bushels. Recent reports indicate the crop may be underestimated and that it may amount to 169 million bushels. Stocks on hand January 1 are not known. Unofficial reports indicate that about 66 million bushels have been exported from January 1 to April 27. Assuming that exports may continue at this rate, 20 million bushels more would be exported by July 1. Assuming the crop correctly estimated, the carryover negligible, and allowing 22 million bushels for home consumption, the remainder would be 51 million bushels as compared with 56 million bushels on July 1, 1928.

## AUSTRALIA: Estimated wheat stocks, July 1, 1924 - 1929

Item	: 1924	: 1925	: 1926	: 1927	: 1928	: 1929
	: Million bushels	: Million bushels	: Million bushels	: Million bushels	: Million bushels	: Million bushels
Carryover January 1 .....	-	-	-	-	11	-
Production, previous year .....	125	165	114	161	117	159
Home consumption, six months .....	22	22	22	22	22	22
Exports, January-June ....	59	101	59	81	50	(86)
Stocks, computed as of July 1 .....	44	42	33	58	56	(51)



## Argentine wheat stocks

The Argentine wheat crop has not yet been officially estimated. Weather conditions indicate a yield which, allowing for a small increase in acreage, would produce about 255 million bushels. Trade reports, however, continue to indicate a larger crop, and the movement of the crop to date suggests that the total crop may be as large as that of last year. The distribution of wheat during the past year indicates that last year's crop was probably about 275 million bushels. Exports since January 1 to date have been about the same as in the corresponding period last year, a little over 100 million bushels. On the average, about 50 per cent of the exportable surplus is shipped out in the first four months of the season and 74 per cent by the first of July. Last year only 69 per cent of the exports were shipped out in these six months. If exports continue until the first of July to equal the shipments in the corresponding period last year, about 140 million bushels will be exported, leaving on hand an exportable surplus of about 73 million bushels as compared with 78 millions last year, including the carryover at the end of the season as a part of the exportable surplus.

ARGENTINA: Estimated surplus of wheat, July 1, 1924-1929

Item	1924	1925	1926	1927	1928	1929
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
Carryover, January .....	1	10	13	35	18	15
Production, previous year:	248	191	191	221 <sup>a/</sup>	275	(275)
Total available .....	249	201	204	256	293	290
Home consumption .....	69	70 <sup>b/</sup>	87	77	77	77
Exportable surplus .....	180	131	117	179	216	213
Exports, January - June ..	127	82	65	123	138 <sup>c/</sup>	140
Stocks, computed as of						
July 1 .....	53	49	52	56	78	73

<sup>a/</sup> The 1927-28 crop was officially estimated at 239 million bushels but it now appears that the crop was nearer 275 million bushels. See F.S. Wh. 31 and 32, January 24, 1929 and February 26, 1929.

<sup>b/</sup> Includes 10 million bushels of poor quality grain.

<sup>c/</sup> See note <sup>c/</sup> on table titled "Argentina: Production and exports of wheat, 1920-1929".



## CANADIAN WHEAT STOCKS

The stocks of wheat on hand in Canada as of April 1 were but very little larger (18 million bushels) than the amount on hand the corresponding date of last year. The Canadian wheat in bond in the United States was about 12 million bushels larger than the year before. Assuming approximately the same distribution in the three months, April 1 to July 1, this year as last, the stocks in Canada on July 1 would be only a little over 100 million bushels, or from 10 to 20 million bushels greater than last year.

Canada has both consumed and exported more wheat than last year. Mill grindings, from the first of August through March, amounted to 65 million bushels as compared to 61 million bushels last year. Exports July 1 - March 31 amounted to 351 million bushels as compared with 235. It is estimated that the loss from cleaning and unmerchantable condition amounted to 44 million bushels, or 10 million more than the loss from the 1927 crop. The result is that Canada now has very little more wheat to export or carry over than she had at this time last year.

The accompanying table shows the basis upon which stocks as of July 1 are computed. The stocks as of March 31 are the official estimates as published by the Dominion Bureau of Statistics. From these totals are deducted the official estimates of the wheat used as seed and food for the three months April-June plus unofficial estimates of exports for the three months April to June, 1929.

CANADA: Estimated stocks of wheat on July 1, 1924 - 1929

Item	: 1924	: 1925	: 1926	: 1927	: 1928	: 1929
	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000
	: bushels	: bushels	: bushels	: bushels	: bushels	: bushels
Stocks as of Mar. 31	: 202,493	: 121,084	: 159,458	: 174,382	: 226,272	: 244,425
Seed.....	: 38,658	: 38,452	: 39,840	: 39,505	: 42,200	: 42,200
Food, 3 months.....	: 10,400	: 10,500	: 10,800	: 10,700	: 10,800	: 10,900
Export, April-June....	: 84,218	: 37,663	: 65,255	: 74,042	: 70,554	: (70,000)
Stocks, computed as	:	:	:	:	:	:
of July 1.....	: 69,220	: 34,464	: 45,773	: 50,355	: 102,716	: 131,325
	:	:	:	:	:	:

Figures in parenthesis are unofficial estimates.





Continental European wheat situation

Continental wheat markets showed considerable activity during April with large import purchases of overseas wheat, particularly by France and the Mediterranean countries, and also to some extent by Germany, according to advices received from the Berlin office of the Bureau of Agricultural Economics. Prices in the import markets weakened at the beginning of the month following reductions in Argentine and Australian offering prices, but later rallied following the rise of the American prices. The efforts of the Russian Government to get support for the financing of prospective wheat purchases also contributed to the rise in European import markets. Some sales effected for shipment to Constantinople are said to have been for Russian port destinations. Around the middle of the month the American price decline was reflected in the continental import markets, and since that time the market has remained rather weak with the world visible stocks continuing to exert a depressing influence. However, the Continent has continued to buy overseas wheat freely, especially parcels afloat, due partly to the relative scarcity of domestic wheat stocks.

Markets for domestic wheat did not move with foreign developments. In general prices at the beginning of the month were maintained. Offerings were restricted because of the occupation of farmers with delayed field work, but late in the month showed some increase in France. Flour business on the Continent of Europe was active, particularly during the first half of April, in coincidence with developments on the wheat market which, in turn, were influenced by increased coverings of flour consumers. During the second half of the month some tendency toward a hand-to-mouth buying policy was evident, and in Central Europe purchases were mostly limited to current needs. The delayed growth of the new crop in Europe is now being considered a factor toward increased dependence on foreign supplies. Also curtailed fodder crops will cause prolonged grain feeding and create some further demand for foreign wheat.

Reports on the condition of winter grain in Continental Europe indicate somewhat more winter killing, but the most serious factor is the delay in growth occasioned by the late cold spring. Seeding and growth of spring grain have been especially delayed. In the Danube Basin some fear is expressed that the plants which have been weakened by the unseasonable weather would not be able to withstand hot May weather which sometimes occurs.

Spring sowing is completed in France and in most parts of Italy, but is still under way over most of the remainder of the Continent. Rains and warm weather are urgently needed in many sections for the new seeding, in order to insure germination and vigorous development of the seedlings. Wind damage is reported from some light soil districts, where the grain was occasionally blown out of the dry ground.



A summary of crop reports in individual countries based on official and private information received to date is as follows:

Germany reports a winter-kill of 4.9 per cent compared with 2 per cent last year. France, and Belgium, while reporting satisfactory conditions as a whole, may show somewhat above normal winter-kill. Italy reports a condition of winter grain about average. Hungary has a fairly satisfactory condition, though extensive winter-kill in some places. Yugoslavia reports considerable winter-kill of wheat in sections and heavy losses to oats and barley. Rumania and Bulgaria are stated as fairly satisfactory, although there are local reports of extensive damage. Since these crop reports were received before the recent cold weather, it is probable that later condition reports will show a revision. The delayed growth of vegetation is a factor of great importance and favorable weather is very necessary to the future prospects of the grain crops.

#### Germany

German wheat and rye markets during the past month were rather quiet, and prices showed slight changes. Soon after Easter, however, business became brisker, and transactions were occasionally large. The available spot grain was at times short, causing a slight increase in prices, whereas in overseas a decline was evident. Despite some uncertainty as a consequence of varied information from overseas a series of different factors has been responsible for a relatively strong undertone in the German market. Farm deliveries were very small due to the press of field work. Almost all deliveries were bought by the flour mills in the provinces which showed a relatively good demand, and the big markets were almost totally dependent on foreign grain. Stocks still available for sale on farms and with the trade are not abundant, and the fact that 22,000,000 to 26,000,000 bushels less wheat have been imported this season to date than last, makes Germany's wheat import requirements for the rest of the season appear relatively large.

The rye situation is quite different from that of wheat as there are still large domestic quantities available. Export business of rye has been greatly hindered during recent months by transportation difficulties. Price developments reflect the rather unstable position of rye. Beginning January 1929 there was almost no difference between wheat and rye in Berlin, but the difference now amounts to 20 to 21 cents per bushel. The German flour market was fairly active during the first part of April, but purchases were mainly for current needs. During the last week buyers have become more reluctant under the influence of the newest world market developments. German flour prices, which had been relatively stable, seem to be high as compared with the reduced world market prices. Development of domestic wheat and rye prices is shown in the following table.





## GERMANY: Price per bushel of domestic wheat and rye

Date of quotation :	Wheat			Rye
	Hamburg <u>a/</u> :	Ereslau <u>b/</u> :	Berlin <u>c/</u> :	Berlin <u>d/</u>
	Cents	Cents	Cents	Cents
Feb. 27 .....	152	141	142	124
Mar. 6 .....	151	143	143	123
Mar. 13 .....	153	146	146	126
Mar. 20 .....	151	148	146	126
Mar. 27 .....	150	145	145	125
Apr. 3 .....	150	145	145	125
Apr. 10 .....	151	147	144	124
Apr. 17 .....	152	148	146	126
Apr. 24 .....	152	147	147	126
May 1 .....	152			124

a/ Wheat of any German district of at least 58.7 pounds per bushel.

b/ Wheat of any German district in carloads of 370 bushels of at least 58.7 pounds per bushel.

c/ "Märkischer" wheat of at least 58.7 pounds per bushel.

d/ "Märkischer" rye of at least 55 pounds per bushel.

Imports of wheat in March were small, although a slight increase from February to March took place. Wheat imports in March were 3,843,000 bushels as compared with 3,216,000 bushels in February and 7,613,000 bushels in March 1928. Wheat exports being 894,000 bushels in March and 919,000 bushels in February were the smallest figures since October 1928. The transportation difficulties are mainly responsible for the small volume of exports during February and March. Arrivals of wheat in Hamburg and Dutch frontier stations indicate that larger wheat imports are to be expected in April than in foregoing months.

Imports of rye in February and March were of practically no importance. As Poland and overseas countries have no export supplies of importance, German rye imports will continue to be very small during the rest of the season. Rye exports of 1,052,000 bushels in March 1929, and 944,000 bushels in February 1929, compared with 1,244,000 bushels in March 1928, were very small due to transportation difficulties. Grain dealers hope that the rye export market will again become active, and the rye price situation during the rest of the season will show improvement.

Wheat and rye supplies in the consuming points of the interior seem to be small at present. Visible stocks of wheat in Berlin (in elevators, barques, railroads) amounted to 422,000 bushels on March 31, 1929, as compared with 404,000 bushels on February 28, 1929, and 1,364,000 bushels on March 31, 1928. The corresponding figures for rye are 750,000, 768,000, and 777,000 bushels. It appears that rye stocks were about as large as last year, whereas wheat stocks were much smaller. The disappearance of wheat and rye (mainly purchases to flour mills, bakers, etc.) in February and March in Berlin was smaller than last year, which indicates that supplies of flour mills and bakers cannot be large.



Farm stocks of wheat in Germany which were available for sale on April 15 were over 5,000,000 bushels less than the amount available on April 15, 1928. Stocks of all other grains, however, were greater than last year. Stocks of wheat remaining on farms were estimated at 24,383,000 bushels, of which 14,471,000 bushels were available for sale. Stocks on April 15, 1928 were estimated at 26,045,000 bushels of which 19,745,000 bushels were available for sale.

The following table gives the estimates of stocks of grain and potatoes on farms in Germany and stocks available for sale on April 15, 1929 with comparisons for last year.

GRAIN AND POTATOES: Stocks in Germany, April 15, 1928 and 1929

Crop	Farm stocks		Stocks available for sale	
	April 15,	April 15,	April 15,	April 15,
	1928	1929	1928	1929
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Winter wheat .....	22,545	20,351	16,854	11,447
Spring wheat .....	3,490	4,032	2,891	3,024
Winter rye .....	44,563	69,451	15,915	33,072
Spring barley ....	7,736	23,871	860	9,283
Potatoes .....	335,271	439,748	66,226	121,310

Reports received to date continue to indicate that feeding of bread grain is large this year. However, it is very difficult to make a reliable comparison with last year as it is known that an unusually large share of bread grain had to be fed on account of poor quality in 1927-28. There was a strong incentive to feed the poor quality grain as soon as possible, which makes it appear that the heavier feeding was during the first half of 1927-28 with the second half showing a tendency to decline. In the present season relatively low prices rather than poor quality have been the inducement to feed and feeding of bread grain is probably distributed more evenly through the season. The fact that forage crops are delayed this year also has a tendency to increase feeding, but on the other hand supplies of oats and barley still available are materially larger than a year ago and their prices are lower. Small holders who are less familiar with modern feeding methods are using bread grain more than normally, whereas managers of large estates under the present circumstances are apt to shift from oil-cake to bread grain knowing that oil-cake may still be more profitable.

It is officially estimated that 4.9 per cent of the acreage sown to winter wheat in Germany has been winter-killed. Approximately 90 per cent of the total wheat acreage in Germany is fall sown. Data are not available for the winter area sown for the 1929 harvest, but the winter area in 1928 was estimated at 3,836,000 acres. The winter killing in 1928 was placed at 2.8 per cent and in 1927 at 1.9 per cent of the acreage sown.

The condition of winter wheat as of May 1 was 100 per cent of the average condition as of that date for the years 1919-1928 against 94 per cent as of May 1, 1928. The winter killing of rye is placed at 1.1 per



cent of the acreage sown against 3.5 per cent in 1928 and 2.9 per cent in 1927. The winter acreage represents approximately 98 per cent of the total rye acreage. The condition of the winter crop as of May 1 was 103 per cent of the 1919-1928 average against 97 per cent as of May 1, 1928.

Different plans to stabilize grain prices at a satisfactory level for farmers are now being discussed. The Minister of Agriculture wants to introduce a so-called "Ausgleichsgebuehr", a kind of additional duty which has to be paid only in case the domestic prices fall below a certain point. The money paid as "Ausgleichsgebuehr" would be used to help farmers. It is not yet known whether or when the government will propose a bill of this kind. The leaders of the four large agricultural organizations also ask for introduction of an import and export monopoly. No detailed descriptions of how these plans would be put in operation have been published so far. The socialist party, which has a very strong influence in present policies, is also fighting for an import and export monopoly, but with a point of view which favors consumers rather than agriculturists.

#### France

April reports indicate an active trade in foreign wheat in the French market. Less important was the turn-over in domestic varieties, chiefly because farmers were occupied with field work during the first half of the month. During the second half of the month offerings of domestic grain became larger as spring sowing was practically finished about the middle of the month. Prospects for the new crop are considered satisfactory on the whole, although some concern has been expressed lately that the cold wave in the second half of the month had introduced some element of uncertainty in the situation.

#### Italy

Italy's import business, particularly for overseas wheat continued important during April. Naples took most of the Australian wheat imported. March import figures also registered high quantities of wheat and it is thought that requirements to the end of the season will be large.

#### Belgium and Holland

Business on the Antwerp wheat market varied considerably during April, but an active note prevailed, and the turn-over for the month as a whole was considerable. This market reflected overseas developments very closely with price tendencies in coincidence with those in overseas markets. Visible stocks at Antwerp on April 15 amounted to 2,451,000 bushels as compared with 1,736,000 bushels on March 31 and were considered very large compared with last year. Dutch wheat import markets assumed increased activity toward the end of March, and there was a good volume of business in April. Purchases were made for the Dutch flour mills as well as for mills in the Rhineland, where there was an especially good demand.





Danube Basin

The wheat markets in the Danube Basin showed brisker business in April than in any of the preceding weeks, with a more rapid movement of grain into consumptive channels. Prices were rather firm during the first half of the month and weakened somewhat during the second half, but the turn-over was important during the whole period. Markets of Austria, Czechoslovakia, Hungary and Yugoslavia showed activity, while those of Rumania and Bulgaria were quiet.

Conditions of seeded grain in both Austria and Czechoslovakia are considered satisfactory with wheat above average and rye also above average, Spring work, however, is greatly delayed in both countries and it is feared that the recent unusual cold wave has reduced crop prospects. Grain crops in Hungary are reported fairly satisfactory as a whole. However, in some parts of the country winter-kill, according to an official report, has been as high as 20 to 50 per cent in the case of winter wheat and 10 to 40 per cent in the case of winter rye. This, however, applies only to a very small part of the country where the snow-cover was removed too early by storms. In other parts of Hungary the winter damage is considered small. However, spring work here, as in other parts of Europe, is greatly delayed and fears are expressed concerning the recent cold. The latter is also true of Yugoslavia, where winter kill was important, particularly for oats and barley, but also wheat. In Bulgaria considerable winter-kill is reported, particularly in the case of barley and some winter-kill is also expected in Rumania where the barley acreage may be greatly reduced owing to the late sowing. Warm weather is urgently needed in all these countries.

Yugoslavia reported recently the foundation of a privileged agrarian bank which will have the function to give credits to the farmers co-operative credit organizations, and is hoped to contribute to the relief of the agricultural situation. Hungary reports large stocks of wheat still on hand and maintains hopes for exportation to Italy. In this connection they expect soon the ratification of the commercial treaty with Italy, concluded three months ago.

Poland

During the past month, prices in the Polish wheat and rye markets continued to increase. The Polish Government, according to newspaper reports, intends to sell grain from the Government stocks bought last Fall to stabilize prices. Farm delivery was small in March and during the first half of April. Some trade circles think that the wheat stocks in Poland are not sufficient to cover the needs for the balance of the season, and that Poland will be a buyer of wheat from now on. In spite of the high wheat duty of 33 cents per bushel some wheat has recently been imported from Germany. No reliable reports about the condition of winter and spring crops are available up to this time. Field work is very much delayed and the development of crops, especially of spring grains, is materially behind schedule. An official estimate of the acreage of winter grain has recently been issued. The winter wheat acreage is estimated to be 3,340,000 acres and 14,974,000 acres for winter rye and 191,000 acres for winter barley. The increase as compared with last year amounts to 1.2 per cent for winter wheat, 2.2 per cent for winter rye and 0.1 per cent for winter barley.



Soviet Russia

It is now openly admitted by Russian Government officials that the supplying of the domestic grain market presents considerable difficulties at present. The speech of Rykov, the Chairman of the Council of Peoples' Commissars, delivered at the Moscow meeting of the Soviets in April, indicated that the Government will not be able to cover the grain requirements of the total population out of the Government and cooperative procurings. The fact that Soviet Russia has not imported any grain up to the present, the rumors about shipments of wheat to Constantinople being intended for Black Sea ports not considered, is probably due to financial difficulties. However, foreign trade keeps on reckoning with Russian purchases of wheat. Present information indicates that Russia will have to enter the market and reports that the Russians have sent a commission to Rotterdam to investigate the market and to Paris to study the financial possibilities seem to confirm the above statement.

The rationing system of bread now in force in almost all cities of the Union was introduced in order to ensure a supply of cheap bread for the "working" population of the cities and industrial centers. At the same time, it had for its purpose the cutting-down of grain requirements by preventing speculation and thus leaving larger quantities for the consuming circles of the peasantry, or, as Rykov put it, the "rural population most in need". The remaining circles, both urban and rural, will be obliged to cover their requirements on the free market, the turn-over of which was estimated at more than 18,000,000 short tons yearly (peasant turn-over included). However, as is well known, prices on the free market are 3 to 4 times as high as Government prices.

The current difficulties of supplying the population with grain are partly caused and have been brought to a head by the unsatisfactory development of the grain procuring campaign during the past months, but the unfavorable grain production situation in 1928 and the increasing consumption of bread per capita, together with the rapidly increasing population, are the important basic causes. Only local reports on grain procurings since January are available, as the reports of the Peoples' Commissariat of Trade previously published at least twice a month have not appeared since that date. However, even these few reports suffice to indicate the unfavorableness of the situation. Thus, March procurings in Siberia, which had an excellent crop this year, were 30 per cent below the February figure, which in turn was 15 per cent below January.

The estimate of the cereal crop for 1928 has been steadily reduced and is now placed at 80,700,000 short tons or 36,000 short tons below the previous year.

Much importance is attached to the 1929 spring sowing campaign, the organization of which began earlier than usual this year. The stipulation of the Council of Labor and Defence provides for a 7 per cent increase of the acreage and a 3 per cent increase in the yield, but acreage increase in certain regions is to reach 12 per cent, depending upon the production potentialities of the regions in question. Organization defects complained of at the preparatory stage of the campaign, such as the disastrous situa-





tion in the production of additional parts for tractors, poor condition of the machine repairing centers etc. have been at least alleviated, though not completely overcome. In spite of all efforts to the contrary, there are still considerable disadvantages, though on the whole the situation is brighter than a month or two ago. Shortage of draft cattle and feedstuffs, as well as poor condition of working animals because of the shortage of feedstuffs remain unfavorable factors. Thus, the four main grain producing regions of R.S.F.S.R. North Caucasus, Central Fertile region, Middle and Lower Volga regions are reported to have 20-40 per cent less working horses than in prewar times with consequent increased use necessitated per draft unit and resulting poorer preparation of the soil. However, measures have been taken to alleviate the situation by helping the peasants in need of draft power with so-called "tractor columns" which move from farm to farm to accomplish the necessary field work. Credits for purchasing cattle and other measures in the same direction have been provided for. It is reported that the cooperatives have been successful in making contracts with the growers for grain acreage.

According to the Russian press, an important factor hampering the successful carrying-out of the sowing campaign is the attitude of the more prosperous peasants (kulaki) who are agitating against the increase of acreage and application of improved agronomic measures, such as grain grading and cleaning, by starting false rumors. They are also endeavoring to offset the favorable impression made by the announcement of the new agricultural tax which provides the poor and middle-class peasants with a stimulus to expand their acreage. They are trying to persuade the poor and middle-class peasants that the Government does not intend to "keep its promises" and will cancel the taxation alleviation foreseen by the tax. Government organs, on the other hand, are attempting to inform the peasants of the actual meaning and purpose of the tax and thus to lead them to expand their acreage accordingly, but complaints are made that in some sections the peasants have not even heard of the new law.

Spring has been delayed for several weeks nearly everywhere, Siberia excepted, sowing having started there 25 days earlier than last year. Reports from southern Ukraine and North Caucasus indicate the commencement of sowing around April 15, however, a few days later reports from Odessa in Ukraine and Rostov-on-the-Don in North Caucasus indicate cold weather and abundant snowfall. As yet no information has been received as to damage done to crops by this recent change in the weather.

The condition of winter-sown crops is, on the whole, reported satisfactory, with winter-kill not above normal, although winter wheat suffered somewhat from insufficient snow-cover in parts of North Caucasus and Middle Volga region.

#### Oriental wheat situation

The Orient has been an important factor in the wheat market this year. The imports of wheat into Japan from July 1 to April 1 amounted to over 20 million bushels compared with 12 million bushels last year. Canada and Australia have shared this business with the United States. China has also taken a good share. The flour imports of Hong Kong in 1928 were the largest since 1924.



American Consul Shantz at Hong Kong reports:

"The greatest competition for American flour in this territory is coming from Canada and the increase of Canadian flour in recent years has been marked. It is said that heretofore this market has been averse to Canadian Straight flour on account of its dark color, but that this year the Chinese have begun to use it. Although it is darker than American Straight flour, it is reported to be nearly 10 per cent cheaper and the Chinese buyers are therefore viewing it with greater favor.

"The following table shows the origin of the flour imports (into Hong Kong) during the past two years:

<u>From</u>	<u>1927</u>	<u>1928</u>
United States	3,007,898 bags	3,382,058 bags
Canada	737,057 "	1,012,055 "
Australia	<u>187,257</u> "	<u>147,536</u> "
Total	3,932,212 "	4,541,649 "

"No figures are available as to the native flour imported into Hong Kong from Shanghai or North China, but it is not believed that any was imported for consumption. According to some merchants, there has always been a threat that the Chinese mill flour would eventually dominate this market, but the uncertainty of the quality coupled with the difficulty of obtaining regular supplies of wheat due to civil war and other circumstances, makes it seem likely that American and Canadian flour will continue to dominate the market for some years to come.

"The following are the approximate averages of flour quotations reported in the Hong Kong Fortnightly Prices Current and Market Report for the beginning of January and the end of December, 1928, converted into United States currency:

	<u>1928</u>	
	<u>January</u>	<u>December</u>
American Patent	\$ 2.15	\$ 2.10
" Straight	1.55	1.50
" Cut Off	1.65	1.60
Australian No. 1	1.75	1.60
Canadian Cut Off	1.50	1.45
" Straight	1.45	1.40
" Mixture	1.40	1.40
" 2nd Clear	1.35	1.35

"The flour market was reported to be very weak at the end of 1928 and the following stocks were on hand in Hong Kong.

American	350,000 bags
Canadian	100,000 "
Australian	<u>50,000</u> "
Total	500,000 " "



WHEAT, INCLUDING FLOUR: Net exports from principal exporting countries, years beginning July 1, 1923-24 - 1928-29

Country from which exported	1923-24	1924-25	1925-26	1926-27	1927-28	Estimate 1928-29	Net exports rep'd. July 1, 1927-1928
	Min.	Max.	to	28	29		
	Mil. bush.	Mil. bush.	Mil. bush.	Mil. bush.	Mil. bush.	Mil. bush.	Mil. bush.
United States ...	132	255	98	206	191	145	165 May 4 a/ 179 a/ 122
Canada .....	348	194	320	305	305	410	480 Mar. 31: 235: 351
Russia .....	21	1	27	49	7	0	-10 May = : 5: b/
British India ...	18	45	7	9	13	-3	-12 Feb. 28: 10: c/ -12
Hungary .....	17	15	19	21	22	18	21 Feb. 28: 16: 16
Rumania .....	d/ 6	4	8	11	7	1	2 Dec. 31: 7: 1
Bulgaria .....	d/ 2	dc/ -2	4	2	2	-	- : - : -
Yugoslavia .....	d/ 6	9	12	10	1	10	11 Dec. 31: 1: 7
Algeria .....	d/ 9	c/ -1	5	c/ -1	5	5	6 Mar. 31: 5: 4
Argentina .....	170	125	100	168	178	180	210 May = : 147: 169
Australia .....	86	124	77	97	73	110	125 May 4 : 55: 100
Total all countries listed:	807	769	671	847	804	871	846 : 658: 753

a/ Exports through May 4 less imports through March.

b/ Less than 500 bushels. c/ Net imports. d/ Year ended July 31.

WHEAT, INCLUDING FLOUR: Net imports into European importing countries, 1923-24 - 1927-28 and estimates of probable imports, 1928-29 as indicated by reports to date

Indicated by reports to date

Country	Year beginning July 1	Estimate	Net imports rep'd.							
	1923-24	1924-25	1925-26	1926-27	1927-28	1928-29	July 1: 1927-	1928-		
	24	25	26	27	28	Min. Max.	to	28	29	
	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	
	bush.	bush.	bush.	bush.	bush.	bush.	bush.	bush.	bush.	
United Kingdom ...	210	216	188	217	211	195	210	Mar. 31: 160	150	
Italy .....	70	96	64	87	87	85	95	Mar. 31: 52	65	
Germany .....	80	71	56	94	92	75	90	Mar. 31: 71	49	
France .....	51	41	34	53	54	35	40	Jan. 31: 40	28	
Belgium .....	40	39	39	40	42	38	45	Feb. 28: 28	28	
Netherlands .....	27	26	28	28	31	29	31	Mar. 31: 24	22	
Czechoslovakia ...	19	23	19	21	21	17	20	Feb. 28: 14	12	
Greece .....	19	22	19	20	20	13	20	Jan. 31: 10	11	
Irish Free State		19	19	20	19	13	20	Feb. 28: 13	12	
Austria .....	17	16	15	17	16	16	13	Dec. 31: 9	6	
Switzerland .....	16	14	14	17	18	15	17	Mar. 31: 15	11	
Sweden .....	12	11	6	6	9	7	8	Mar. 31: 7	5	
Norway .....	6	5	6	6	7	7	3	Feb. 28: 5	6	
Other Europe ...	19	29	14	21	25	-	-		16	21
Total above ...	636	628	521	647	652	585	662		467	428
Principal non-European count.										
European count.						200	216			
Total above im-										
porting count.						785	872			

a/ Round approximation.

b/ Net export.





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UNITED STATES DEPARTMENT OF AGRICULTURE  
Bureau of Agricultural Economics  
Washington

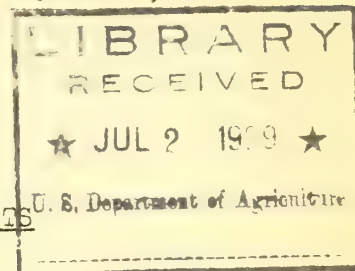
F.S.  
WH-36

June 15, 1929.

FOREIGN NEWS ON WHEAT

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WORLD WHEAT CROP AND MARKET PROSPECTS



Reports of seeding, winter killing, and areas remaining for harvest, received to date by the Foreign Service of the United States Department of Agriculture indicate that the world's area to be harvested in the 1929-30 season may be about the same as harvested in the 1928 season. Weather and crop condition reports to June 12 indicate that the world's wheat crop, outside of Russia and China, may be about five per cent smaller than last year. The higher crop forecasts reported to date are expected to be more than offset by lower yields in Canada and some European countries, also a smaller crop in Argentina.

The world's wheat stocks on July 1 will be larger than on July 1, 1928. Most of this increase will be in the United States. Delayed harvests and active demand in northern Europe will provide a market in July and August for part of this increase in carryover. Furthermore the increased carryover probably will be more than offset by a reduction of the world crop. Both the annual increase in world demand and reduction in supplies would tend to raise prices. It therefore seems likely that world market prices for wheat through the 1929-30 season will average somewhat higher than they have through the 1928-29 season.



World wheat acreage, production, and crop conditions

The area of wheat reported to date by 22 countries totals nearly 141 million acres, an increase of 6 millions or 3.8 per cent over the corresponding areas last year. Last year the corresponding areas accounted for 56 per cent of the estimated world total acreage outside of Russia and China. Most of the increase in area, 4.2 million acres, reported to date is in the United States and is due to a lighter abandonment of the winter sown acreage. The wheat area in 13 European countries is reported at 57 million acres, or one million in excess of last year. Reports indicate that abandonment or winter killing is greater than last year and will probably offset the slight increase in acreage. Farmers have indicated their intention to make a slight reduction in the spring wheat area of the United States. The Canadian area may be increased slightly. Reports indicate a decrease in Manitoba, an increase in Alberta, and little change in Saskatchewan. Seeding has been delayed in Argentina by scarcity of moisture. The "Times of Argentina" indicates a decline in area seeded on account of droughty conditions. Some trade sources are indicating a decrease of 15 per cent from the area harvested last year. Low prices may also tend to discourage planting. Australia, on the other hand, reports satisfactory conditions for seeding and prospects of some increase in area. Present indications, therefore, are for a world wheat acreage about the same as last year.

The 1929 harvest in the Northern Hemisphere has begun. India, Morocco, Algeria and Mexico have harvested or are harvesting their crops and a beginning has been made in the United States. The estimates and forecasts of the production of these crops total one billion bushels as compared with 931 million last year.

WHEAT: Production, estimates and forecasts to June 12, 1929

Country	1926	1927	1928	1929
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
United States,				
winter .....	627,433	552,747	578,964	622,143
Mexico .....	10,333	11,890	11,031	11,492
Morocco .....	16,174	24,618	22,193	28,623
Algeria .....	23,551	28,323	30,302	31,783
India .....	324,651	334,992	288,311	313,973
Total, 5 count	1,002,142	952,570	931,301	1,008,019

Weather and condition reports to date, however, indicate that the world's crop for 1929 is not likely to equal that of 1928. The condition of the Canadian spring wheat crop is officially reported to be equal to the ten year average. Climatic conditions during the season to date have not been favorable to the development of a crop equal to that of last year. Analysis of fall, winter and spring precipitation and temperatures indicates that the Canadian yield is likely to be about 15 to 16 bushels per acre as compared with over 22 bushels last year. The analysis is presented later. Should conditions for the remainder of the season be favorable in every respect, these yields might be exceeded, but probabilities are against it. Germany reports heavier abandonment and crop conditions to date indicate a yield of about 27 bushels to the acre as compared with 33.2 last year.





The condition of the French crop is also relatively low and the yield is likely to be below that of last year. With a bad start the Argentine crop can hardly equal the very large crops of the past two years.

Considering all these facts, it is reasonable to expect that the world's wheat harvest outside of Russia and China for the present season will be at least five per cent under that of 1928.

#### Carryover

It seems likely that the world wheat stocks or carryover at points for which records will be available, as of July 1, will be about 150 million bushels in excess of the stocks on hand July 1, 1928. Most of this increase will be in the United States. At the present rate of shipments and disappearance, the excess of 170 million bushels as of April 1 will be reduced. Exports of wheat and flour from the United States since April 1 have been five million bushels in excess of those of the corresponding period last year. In the same period Argentina has shipped eight millions in excess of last year. If supplies in Argentina and Australia have been accurately estimated, the stocks in these countries on hand July 1 will be about the same as a year ago. Canada still has larger supplies, and the stocks in Canada, also of Canadian wheat in the United States, on July 1 will probably be somewhat larger than a year ago.

The carryover of wheat in the United States on July 1 may be as low as 225 or as high as 270 million bushels, depending on how much will have disappeared as feed or in other ways not accounted for by exports, mill grindings, and seed. The year began with an estimated crop of 903 million bushels and a carryover of 129 millions, making the domestic wheat supply 1,032 million bushels. Exports to June 1 amounted to 150 million bushels of wheat including flour, to which may be added ten millions in June, making a total export of 160 millions as compared with 206 millions exported last year. This reduction in exports will be added to carryover.

Taking either the March or April stock figures as a basis, it seems likely that the carryover will be increased more than by the reduction in exports. Stocks reported as of March 1 in country mills and elevators, and April 1 in other positions total 424 million bushels. Should the exports of grain April to July 1 amount to 20 million bushels, as now seems possible, the mill grindings equal last year's, 128 millions, and the unaccounted for disappearance as feed, etc., amount to the same as last year, 21 millions, the carryover would be 255 million bushels or 126 millions in excess of last year. The unaccounted for disappearance, of course, is quite uncertain and may be more or less than last year, and the carryover may vary from 255 million bushels as this item varies. With reduced freight rates to assist exports and a delayed harvest in northern Europe, this increased carryover may very largely disappear as a factor in the world situation by the last of August.



### Foreign market conditions

Wheat continues to move in large volume from surplus producing to consuming areas. The large volume shipped from Argentina, together with the regular shipments from other countries and some increases from the Danube countries, was taken by European markets, and for the most part has moved into consumption channels. Increases in import duties by Italy and France in response to the decline in prices probably will have little effect upon the European takings of wheat for the remainder of the season. Italy is harvesting a new crop and imports probably would have slackened in any case. France has taken a considerable volume of wheat in anticipation of the increase in duties and soon will be largely supplied with new wheat from North Africa until her own crop is harvested. North and Central European countries, however, will continue to take large volumes of wheat through June and July, and possibly into August. German stocks are low. Notwithstanding heavy imports in May, flour stocks are reported to be low. The domestic supply of wheat in Germany in May was three million bushels below that of a year ago. Low wheat prices are stimulating consumption. The only offsetting factor is cheap rye. Germany has plenty of rye. Poland has released rye and is encouraging its export. It is believed, however, that Poland will import more wheat as a consequence of releasing rye. Russia remains an uncertain factor in the market. The government is making strenuous efforts to avoid importing wheat. Eventually, however, it may be necessary to import some before the new crop is available.

The takings of the Oriental market seem to have slowed up to some extent. The imports of wheat into Japan during April were below the monthly imports of the previous three months. The export demand for flour from Japan in May was reported weak. The decline in both wheat and flour prices, however, may stimulate takings.

### Prices

Cash wheat prices in the United States continued to decline into the last week of May and then turned upward. Farm prices as of the middle of May averaged 90.1 cents per bushel, a decline of 9.7 cents from the middle of April. The average of all classes and grades at six markets declined from 103 cents a bushel, the week ended May 17, to 95 cents the last week in May. All classes of wheat shared in the decline. Likewise all classes have shared in the rise in prices in the early part of June. A similar drop and recovery in prices was recorded in the principal foreign markets.

Should world crops outside of Russia and China turn out to be 5 per cent less than last year, this reduction would more than offset the increase in carryover and reduce to that extent the world's supply. Other conditions remaining the same, the increase in world demand would then result in some increase in the average world market price for the season over the average for the past season.





Should the world supply turn out to be as indicated above, the prices of all classes of wheat would be strengthened as compared with the average for the past year excepting possibly soft red winter. In the past year No. 2 soft red winter in St. Louis has sold at an average of 20 cents above the price of No. 2 hard winter wheat at the same market, and the monthly differences of range have been from 31 cents in September to 9 cents in May. This may be taken as an index of the higher prices paid for soft red winter wheat the past year on account of the shortage of the supply of that class of wheat. The June forecast of wheat production by States indicates that the soft red winter wheat crop this year will be close to 200 million bushels as compared with 140 million last year. Since this is more than the usual domestic requirements for this class of wheat, it seems likely that prices of soft red winter will be held close to those of hard red winter in the coming season. Since the supply of hard red winter (production plus carryover) now seems to be about the same as for the past season, prices possibly will continue to be fairly closely in line with world market prices and would be favorably affected by a rise in the world price level. The white winter wheat crop appears to have been reduced and the price of that class of wheat, therefore, is likely to be well maintained as compared with that of other classes. The situation with respect to durum and spring wheats is still quite uncertain. The forecast of the wheat crop in Morocco indicates that competition from North Africa may be greater than last year, but this may be more than offset by the reduction in the crop of the United States on account of reduced seedings. The supply of hard red spring wheat is still to be determined. A reduction in the Canadian crop would strengthen the price for this class of wheat in relation to the world market prices for other classes of wheat.

As stated last month the prices of all classes of wheat are likely to fluctuate greatly with reports of crop prospects in the next two months. Heavy marketings of new wheat in the next month together with favorable crop reports may give rise to short periods of depression but, should conditions develop in Canada, Argentina and Europe, as now seems possible, the general level of cash prices is likely to be lifted upward to some extent as the harvesting season in the Northern Hemisphere progresses.

In the season ending June 30 the courses of the prices of several classes of wheat in the United States have been similar to those of the 1923-24 season. World crop prospects are now similar in many respects to those of the 1924-25 season and if crops develop as now seems possible the course of prices in the earlier part of the season may be somewhat similar to that of the 1924-25 season. If the world crop is not reduced more than 5 per cent prices in the late fall and winter will not rise as much as they did in the 1924-25 season. See charts of prices.





WHEAT: Weighted average cash price per bushel at stated markets for  
corresponding weeks, 1928 and 1929

Corresponding weeks, 1928 and 1929													
		:All classes: No. 2 : No. 1 : No. 2 :Durum, all : No. 2											
Week		:and grades :hard winter:dk.n.spring:amber durum:sub-classes:red winter											
ended		:six markets:Kansas City:Minneapolis:Minneapolis:and grades : St. Louis											
		:1928	:1929	:1928	:1929	:1928	:1929	:1928	:1929	:1928	:1929	:1928	:1929
		:Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Feb	1	: 131	117	131	117	143	131	128	132	121	107	152	144
	8	: 130	117	129	117	140	134	126	132	118	107	152	139
	15	: 131	119	133	118	140	136	127	129	120	109	155	141
	22	: 134	120	136	120	145	139	129	130	123	107	158	145
Mar	1	: 135	117	135	118	145	136	133	126	124	104	161	138
	8	: 137	115	138	117	148	132	133	129	126	102	166	135
	15	: 135	117	136	119	145	132	131	123	125	105	168	139
	22	: 137	115	141	117	147	135	135	123	128	101	170	139
	29	: 137	110	141	112	147	126	135	117	127	96	172	130
Apr	5	: 140	109	143	110	151	129	135	---	128	95	181	130
	12	: 143	112	144	114	152	130	140	118	132	98	186	130
	19	: 156	112	156	113	167	133	146	---	139	98	199	128
	26	: 158	107	165	106	171	125	141	119	140	98	212	122
May	3	: 162	107	169	105	174	128	148	112	140	99	220	118
	10	: 156	101	164	104	168	123	144	113	140	95	204	122
	17	: 147	103	151	103	160	124	136	109	134	96	181	118
	24	: 147	101	153	100	161	121	138	114	135	92	179	116
	31	: 146	95	155	94	161	112	136	102	131	88	183	110
June	7	: 145	100	151	98	156	118	136	114	131	92	187	111
	14	: 142		149		151		129		127		180	
	21	: 139		149		151		126		124		175	
	28	: 141		145		152		127		124		172	
July	5	: 137		136		153		132		125		172	
	:												

WHEAT: Closing prices of May and July futures

Date		Chicago	Kansas City	Minneapolis	Winnipeg	Liverpool	Buenos Aires
		1928	1929	1928	1929	1928	1929
		Cents	Cents	Cents	Cents	Cents	Cents
May futures							
Mar	28	: 144	122	135	114	137	118
Apr	4	: 143	118	134	111	136	115
	11	: 149	121	140	114	142	118
	18	: 158	117	150	110	150	115
	25	: 160	113	152	105	151	111
May	2	: 157	113	152	106	152	114
	9	: 152	104	150	96	148	103
July futures							
May	16	: 148	108	139	101	144	108
	23	: 153	106	145	99	150	106
	29	: 144	100	136	93	141	99
June	6	: 142	109	134	102	140	107
	13	: 139		132		139	
	20	: 138		131		137	

a/ Prices are of day previous to date of other market prices. b/ June future.



## World Wheat Supplies and Prices

The effect of supply upon wheat prices can be judged from the prices at which wheat has sold during recent years. The price depends upon many things, but chief among these is the supply which is to be had. The world wheat crops of 1923 and 1928 were very large and prices were low. In 1924, on the other hand, the crop was unusually small and prices were high.

The wheat requirements of the world are constantly growing and supplies have, on the average, increased rapidly enough to take care of these growing needs. In the quarter of a century prior to the World War, the wheat supply of the world increased at the rate of about 74 million bushels per year and, as the value of wheat did not fall during this period, wheat requirements appear to have increased at least as rapidly as production. At the present time the rate of increase in requirements appears to be about 70 million bushels yearly, thus the supply of 3,877 million bushels in 1923-24 was equivalent to a supply of 4,227 million in 1928-29 or of 4,297 million bushels in 1929-30.

The accompanying charts show graphically the relationship between the world supply of wheat and average prices in Great Britain. In Figure II the supplies shown for the various years are not the actual supplies, but their equivalents as of 1928 when the yearly increase of 70 million bushels in requirements is allowed for. The heavy line drawn in Figure II represents approximately the average relationship between world wheat supplies and prices for the crop year 1928-29. The light line represents the relationship for the year 1929-30. It will be noted that, after the yearly increase of 70 million bushels has been met, an increase of 100 million bushels in the supply is, on the average, accompanied by a decrease of about 14 cents in the world price of wheat.

Prices of the various kinds and qualities of wheat vary from what may be called the "world average" price and depend on the supplies of these kinds and qualities as compared with the total supplies. Likewise the prices in various countries differ, depending upon transportation and other costs incident to buying and selling upon the world market and also upon the supplies of wheat in the individual countries. Thus the price of winter wheat at Kansas City is usually below that of a similar quality of wheat at Liverpool.

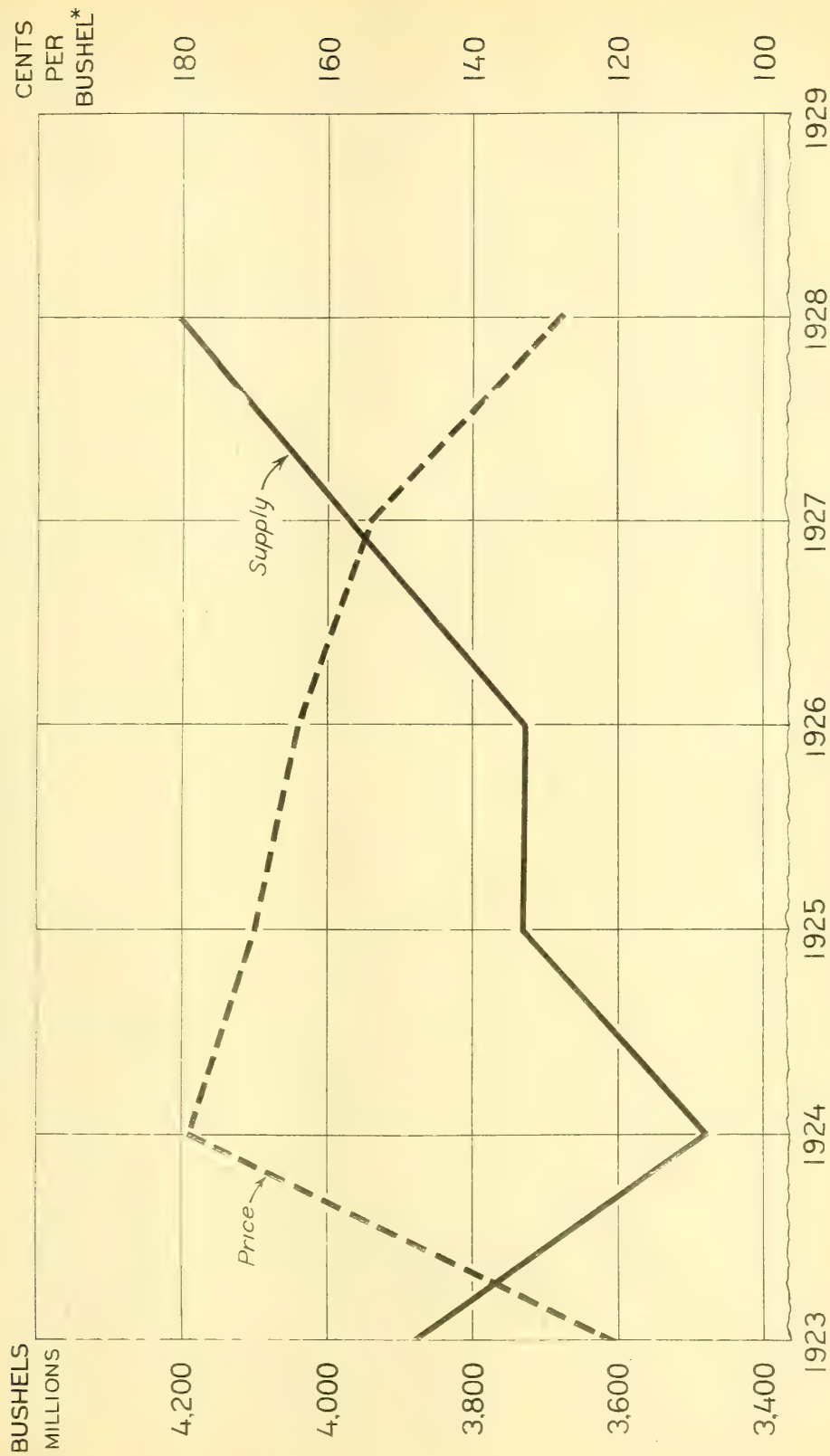
In order for the United States to sell wheat to other countries, prices in the United States must be "on an export basis"; that is, they must be low enough that wheat may profitably be shipped to Liverpool or other importing markets. When the United States has a very large crop of hard winter wheat, prices must be on an export basis most of the year in order to dispose of the surplus and Kansas City prices will average well below those at Liverpool. On the other hand, when the United States has only a small crop of hard winter wheat, domestic prices need be on an export basis for only a short time to dispose of the surplus, and in such years prices at Kansas City may be expected to average only a little below Liverpool prices.

E.J.W.





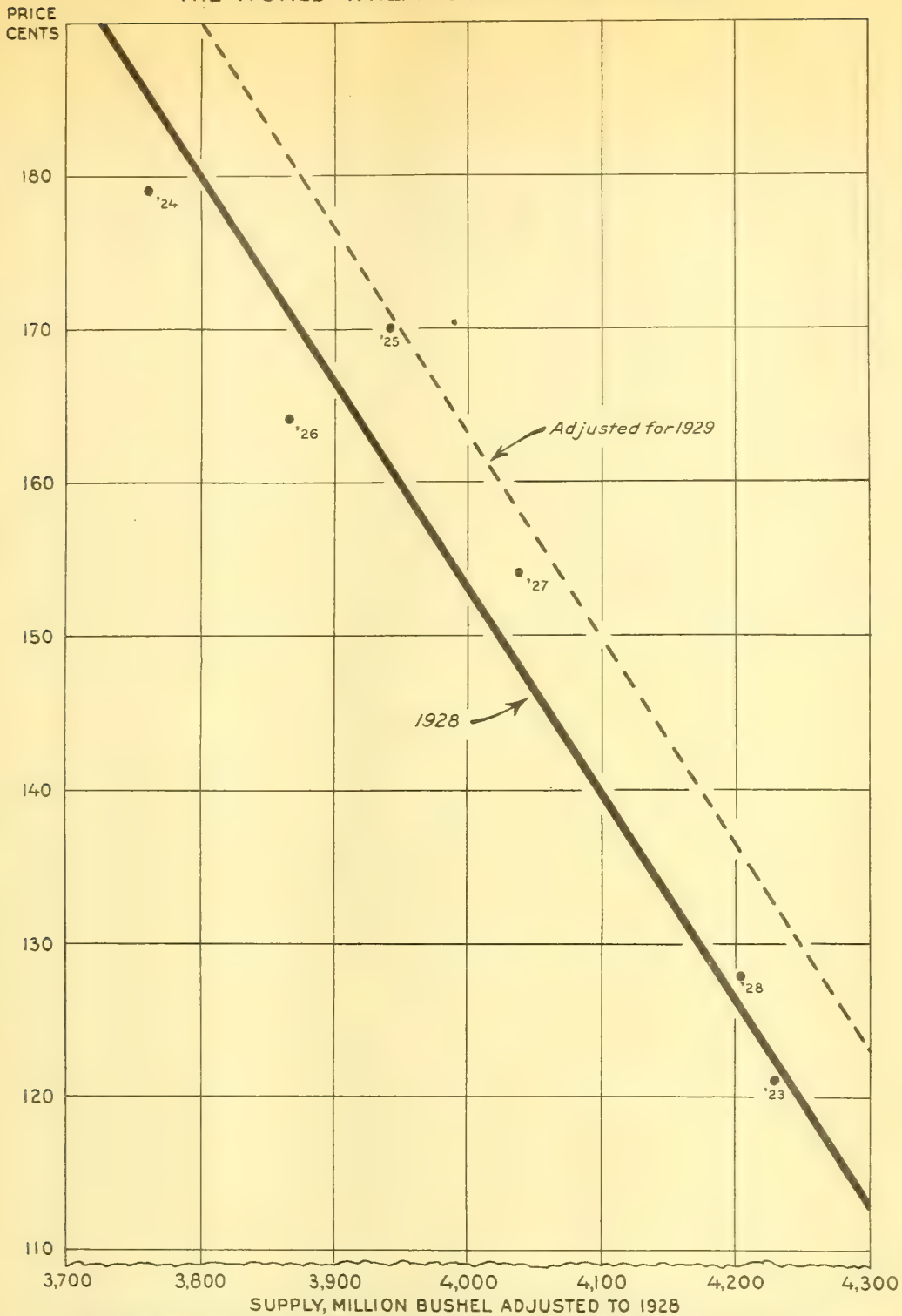
# WHEAT: WORLD SUPPLIES AND PRICE



\* AVERAGE BRITISH PARCELS REPRESENTING WORLD MARKET PRICES



# THE WORLD WHEAT SUPPLY AND PRICES



SUPPLIES INCLUDE PRODUCTION AND STOCKS ACCOUNTED FOR JULY 1 AND ADJUSTED TO 1928 BY ADDING 70 MILLION BUSHELS PER YEAR FOR ANNUAL INCREASE IN DEMAND. PRICES ARE AVERAGE BRITISH PARCELS TO REPRESENT THE WORLD MARKET PRICES.

U.S. DEPARTMENT OF AGRICULTURE

BUREAU OF AGRICULTURAL ECONOMICS



## Wheat: British Parcels prices and estimated world supply

Year :	Actual estimated :	Supply adjusted to :	British Parcels :
beginning:	supply a/ :	1928 normal b/ :	price per bushel :
July 1 :	supply a/ :	1928 normal b/ :	price per bushel :
	Million bushels :	Million bushels :	Cents :
1923 .....	3,877 :	4,227 :	121 :
1924 .....	3,479 :	3,759 :	179 :
1925 .....	3,730 :	3,940 :	170 :
1926 .....	3,726 :	3,866 :	164 :
1927 .....	3,968 :	4,038 :	154 :
1928 .....	4,204 :	4,204 :	c/ (128) :

a/ See Foreign News on Wheat, May 18, 1929, table page 2.

b/ Supply adjusted for a normal increase of 70 million bushels yearly. During the period 1892 to 1915 the estimated world supply of wheat/increased on the average 74 million bushels yearly as indicated by a straight line trend fitted by the least squares method to the production data.

c/ Estimated, as year is not complete.

## THE CANADIAN WHEAT CROP

Canadian weather conditions for the season to date indicate that Canadian wheat yields may be only about 15 to 16 bushels to the acre as compared with 22 bushels per acre last year. The United States Department of Agriculture has found it possible to estimate Canadian wheat yields fairly closely on the basis of temperature and precipitation in the prairie provinces through the season previous to harvest. Rainfall and temperature, through May, June and July, affect the wheat yields but precipitation and temperature from September to May are also important factors in determining the final outturn of the crop.

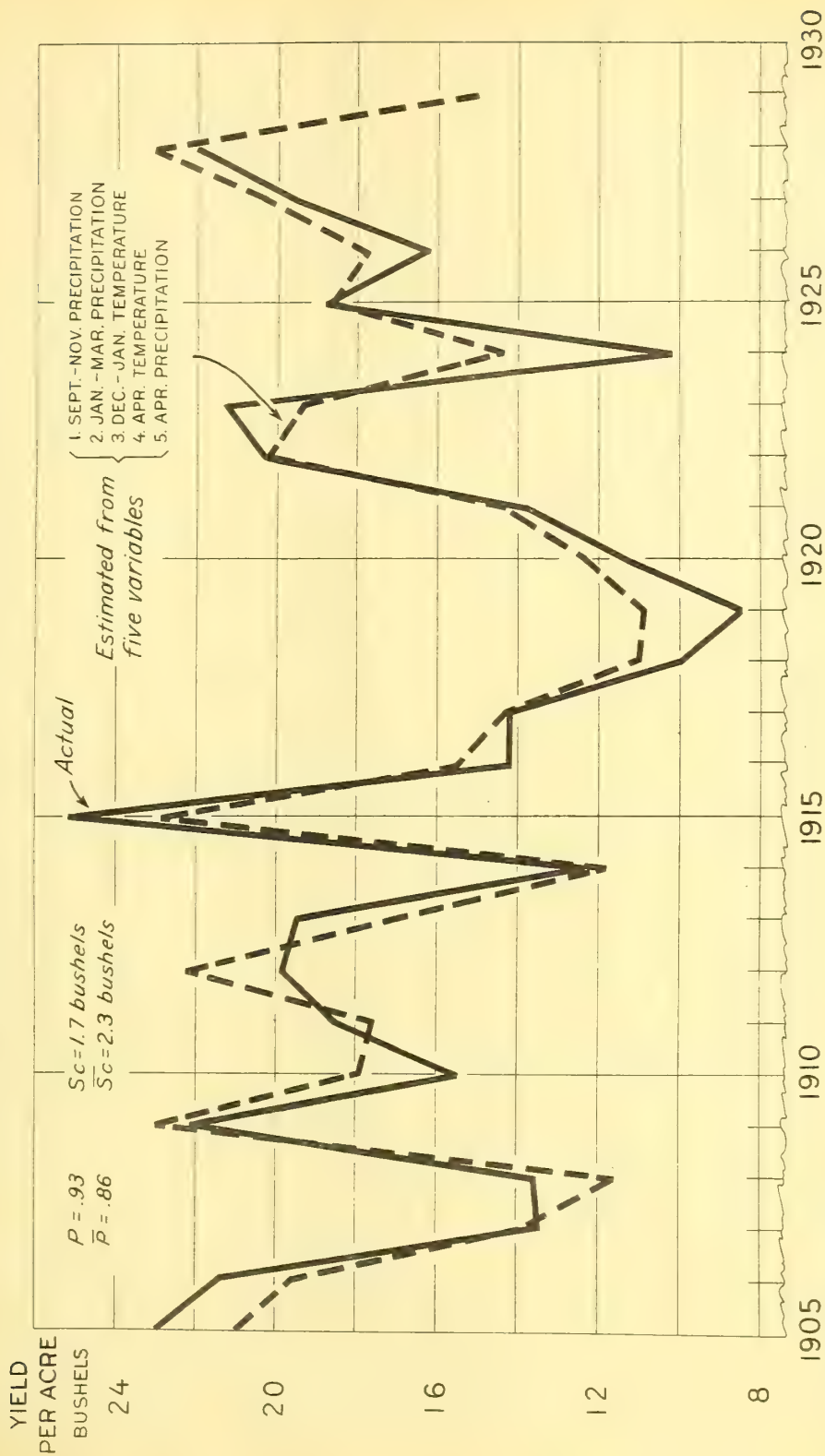
Reports of seedings in the prairie provinces to date indicate some increase in area. The Manitoba Free Press report indicates a reduction in Manitoba, some increase in Alberta and possibly a slight increase in Saskatchewan. As a basis for the present calculations, it is assumed that the Canadian acreage will be increased from 24,119,000 to 24,500,000. A yield of 15 to 16 bushels per acre upon this area would produce a crop of about 360 to 400 million bushels as compared with the official estimate of 534 million bushels for the 1928 crop. The wheat crop, however, is still in the balance and the above calculations should be taken merely as a preliminary forecast on the basis of conditions in the early part of the season which ordinarily have an important influence upon the outturn of the crop.

The analysis by which the above conclusion is arrived at is presented below. Saskatchewan contains more than one-half the total wheat acreage of all Canada and the yields per acre in this province have been found to correspond fairly closely with the average for the country.



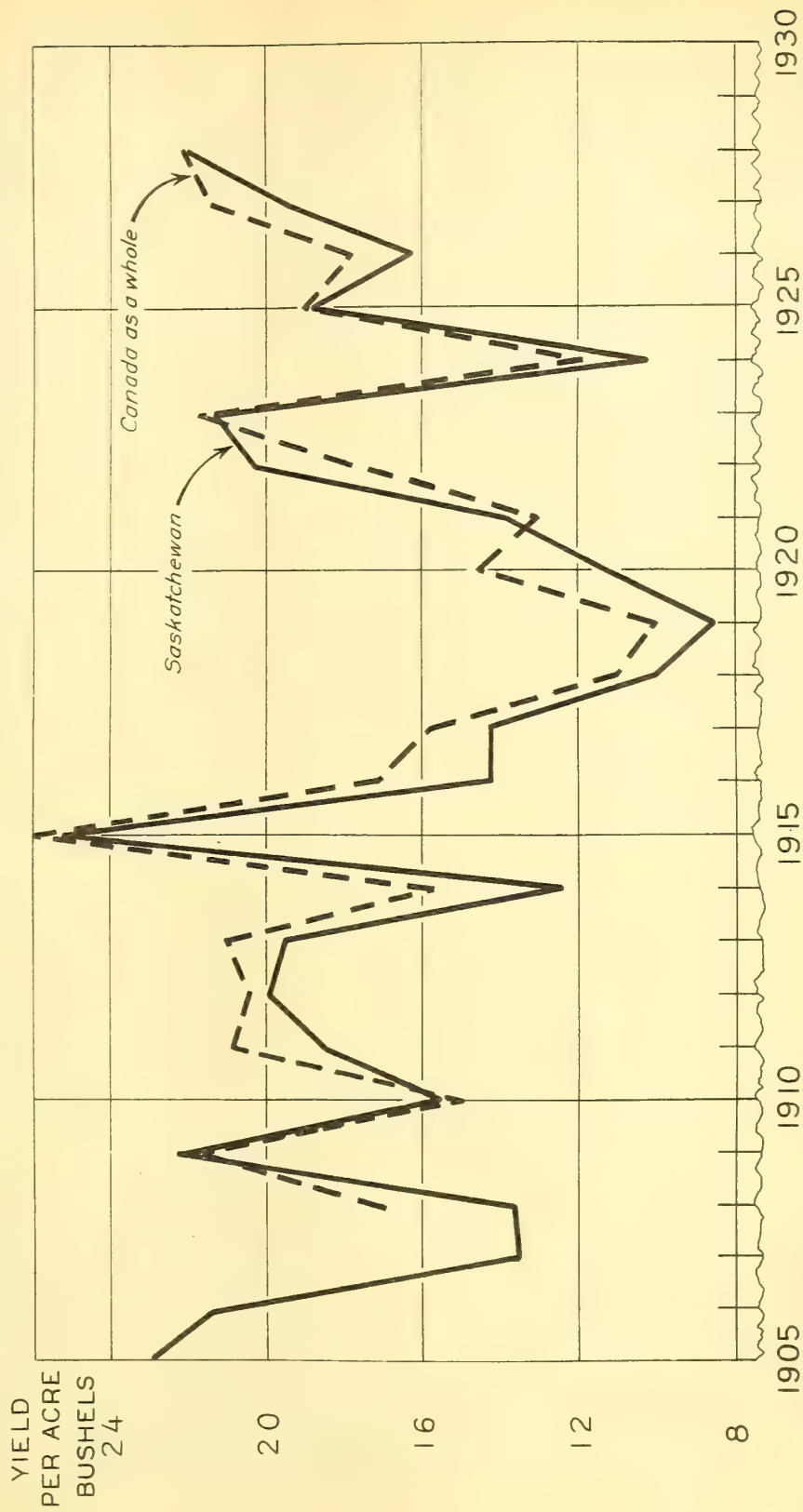


# WHEAT: YIELD PER ACRE IN SASKATCHEWAN





# WHEAT:YIELD PER ACRE IN SASKATCHEWAN AND IN CANADA AS A WHOLE



U.S. DEPARTMENT OF AGRICULTURE

BUREAU OF AGRICULTURAL ECONOMICS





Yield in Saskatchewan

Though changes in varieties of wheat planted and cultural methods are important in relation to their effect upon wheat yields, weather conditions preceding harvest constitute the all important factor which causes changes in yields from year to year. An analysis of weather conditions preceding harvest in Saskatchewan for the period 1905 to 1928 indicates that fall and winter weather conditions are closely related to yields. The total precipitation in the three months, September to November, appears to be an important factor in determining the amount of moisture available for the crop. Such precipitation is held in the ground over winter and supplements the rain of the late spring and summer months. The January to March precipitation also appears to be closely related to yield though in this case there is an inverse relationship, heavy precipitation being associated with reduced yields. A possible explanation of this is that heavy precipitation during the winter and early spring tends to retard the preparation of the soil and the seeding so that the crop gets a late start, and yet does not add to the moisture available for the crop.

Temperatures in winter and summer appear to have little relation to yield as compared with rainfall. Low April temperatures, however, seem to be associated with low yields, yields tending to be higher with higher temperatures until about the average is reached. Thereafter higher temperatures do not appear to further increase the yield. The average temperature during the two months December to January appears also to have a slight bearing upon the harvest. Years of unusually high average temperatures and years of unusually low average temperatures correspond to some extent with years of low yields.

A multiple curvilinear correlation of the five weather factors, September to November precipitation, January to March precipitation, December to January temperature, April temperature, and April precipitation gives a correlation index of .93. Considering that no weather conditions during the late spring and summer are included, this is a high correlation and gives the basis for significant early season estimates of probable yields. In only six years out of the 24 studied was there a difference of more than two bushels between the calculated yield and the officially reported yield. In only one year was the difference greater than 2.4 bushels. That was 1924 when the calculated yield was 14.4 bushels to the acre and the official estimate 10.2 bushels. In that year the May to July precipitation was one of the lowest in the period studied. The other five years when the calculated yield was over two bushels in error were 1910, 1912 and 1919 when it was 2.3 and 2.4 bushels too high and 1913 and 1915 when it was equally low. The 1919 crop appears to have been hurt by high June-July temperatures in combination with low rainfall in the May-July period. The 1915 yield was helped by low June and July temperatures. 1912 is explained by a combination of winter and summer factors, but no explanation has been found for the deviations in 1910 and 1913.



For 1929 these five winter and spring factors give an indicated yield in Saskatchewan of 15 bushels to the acre. The total September to November precipitation for the stations considered averaged only one inch, which is the lowest of all the years in the period studied. There were five other years having an autumn precipitation of about 1.5 inches. Three of these years, 1908, 1914 and 1919, had yields under 14 bushels to the acre. The other two, 1910 and 1911, had 15.5 and 18.5 bushels respectively. In both of these years, January-March rainfall was more favorable to the crop than in the current year, and April temperatures were more favorable, while April rainfall had a normal effect on the yield. In 1910 the May-July rainfall was slightly below normal and the June-July temperature slightly above normal, while in 1911 the May-July rainfall was slightly above normal and the June-July temperature below normal.

This year, January to March precipitation was about 2 inches, which was approximately normal. The December-January temperature was generally favorable to the crop in so far as it affected it at all. April rainfall was light, which was apparently beneficial for seeding purposes but in view of the autumn drought was unfavorable for growth.

Weather factors now known other than those included in the analysis have so far tended to further reduce the yield rather than increase it. The land in summer fallow, which usually conserves moisture in a dry year better than other seed beds is smaller this year than last, while fall ploughing is increased. Apparently seeding was not quite as early this year as in 1928. The "Free Press" reports 80 per cent sown by May 10 this year against 90 per cent by that date in 1928. An earlier sowing this year would have been more advantageous since the hot temperatures of June and July will probably be more harmful than usual if moisture is deficient. So far the deficiency in moisture is not being offset. The rainfall reported in May was slightly below the average of about two inches and early June rainfall has not been heavy. Low temperatures are also retarding the growth somewhat. Thus the present outlook for Saskatchewan appears to be for less than 15 bushels to the acre rather than more.



Wheat yields per acre in Saskatchewan and in Canada as a whole,  
1905-1929

Year	All Canada a/ Bushels	Saskatchewan			
		Dominion official estimate a/ Bushels	Calculated from weather to May 1 b/ Bushels	Calculated from weather to August 1 c/ Bushels	
1905 .....	---	23.0	21.0	21.9	
1906 .....	---	21.4	19.6	21.8	
1907 .....	---	13.5	14.0	15.8	
1908 .....	17.0	13.6	11.6	13.3	
1909 .....	21.5	22.1	23.0	22.8	
1910 .....	14.9	15.5	17.9	18.0	
1911 .....	20.8	18.5	17.6	18.4	
1912 .....	20.4	19.9	22.2	20.1	
1913 .....	21.0	19.5	17.2	16.3	
1914 .....	15.7	12.4	11.9	12.0	
1915 .....	26.0	25.2	22.9	24.9	
1916 .....	17.1	14.2	15.6	14.8	
1917 .....	15.8	14.2	14.3	11.4	
1918 .....	11.0	10.0	11.0	8.0	
1919 .....	10.0	8.5	10.9	7.3	
1920 .....	14.5	11.3	12.4	13.4	
1921 .....	13.0	13.8	14.3	16.0	
1922 .....	17.8	20.3	20.2	19.6	
1923 .....	21.7	21.3	19.4	19.3	
1924 .....	11.9	10.2	14.4	11.8	
1925 .....	19.0	18.8	18.6	17.0	
1926 .....	17.8	16.2	17.8	16.7	
1927 .....	21.4	19.5	20.3	18.9	
1928 .....	22.1	22.0	23.1	23.2	
1929 .....	---	---	15.0	---	

a/ As reported by the Dominion Bureau of Statistics.

b/ Estimated from five weather factors, (1) precipitation September through November, (2) precipitation January through March, (3) average temperature December-January, (4) average temperature April and (5) precipitation April.  $P = .93$ ,  $Se = 1.7$  bushels.  $\bar{P} = .86$ ,  $\bar{Se} = 2.3$  bushels.

c/ Estimated from four weather factors, (1) precipitation September through November plus May through July, (2) precipitation January through March, (3) Average temperature December-January and (4) average temperature June-July.  $P = .94$ ,  $Se = 1.6$  bushels.  $\bar{P} = .91$ ,  $\bar{Se} = 2.3$





Yield in other provinces

The wheat yield of Canada normally follows that of Saskatchewan very closely, averaging about a bushel more than Saskatchewan. It has never been reported more than 3.4 bushels greater and has gone as low as 2.5 bushels below that province. The usual relationship would point to a Canadian yield of about 15 to 16 bushels to the acre in 1929. Early reports for Alberta and Manitoba do not promise a Dominion yield higher than usual as compared with Saskatchewan.

Preliminary studies show the same winter factors to be of importance in these two provinces as in Saskatchewan with one exception. Manitoba normally has a heavier autumn precipitation than either Alberta or Saskatchewan and the heavier precipitation tends to be accompanied by reduced yields.

In Alberta, September to November precipitation this past season was about three quarters of an inch, which was lower than in any other season studied. In the three other years when autumn precipitation was less than 1.1 inches the yield did not go above 11 bushels to the acre. Those three years, however, all had deficient rainfall in the May-July period as well. January to March precipitation was about normal this year thus having little effect on the crop. In so far as December-January temperature has any effect, it probably will improve the yield slightly. April rainfall had a tendency to reduce yields, if anything, and April temperature showed little effect. May rainfall has been about an inch, whereas heretofore May rainfall has averaged about two inches. June rainfall up to the eleventh of the month has been fairly good. The yield this year may not go as low as the 11 bushels of the other years of low autumn rainfall but present probabilities are for about 12 to 14 bushels unless the weather the balance of the season is better than normal.

In Manitoba winter conditions have been more favorable and indicate a probable yield equal to the average of 17 bushels or higher. September-November precipitation was only about an inch which was lower than in any other year studied. Usually low autumn precipitation in Manitoba is accompanied by above average yields but the unusually small amount this year may be too low for best results. January to March precipitation appears to have been favorable to an average yield or better, but its effect is partially offset by unfavorable April rainfall. May rainfall was only about 1.5 inches. The average May rainfall for the period is about 2 inches. There has been almost no rain the first 11 days of June.

L. T. and L. H. B.



The Continental European wheat situation a/

Wheat markets in Continental Europe were generally active through May, according to the Foreign Service of the Bureau of Agricultural Economics. Import purchases were large and for the most part went into consumptive channels, while France was reported to have taken considerable quantities due to the imminent increase of import duties, finally placed in effect May 24. Prices in the import markets declined considerably during May with some sustained tone in the demand for spot and near at hand wheat, because of the large demand for current needs. This shifted the weak point of the market from spot quotations into forward positions, but did not alter the general market tendency which was under the pressure of large world stocks, heavy offerings of Argentine wheat and favorable crop reports from the United States. Reports on the probability of purchases for Russian account have weakened as a market factor, but the belief still exists that Russia will eventually enter the market.

Resistance to the general downward tendency of import prices was evident in domestic wheat, because of low stocks and good demand for current requirements. In France the expectancy of better prices through increased import duties and some uncertainty in the crop outlook in important sections restricted farm offerings and contributed to the firmer undertone for domestic grains. In Germany and the Danube Basin, however, increased farm offerings were evident as the crop outlook showed gradual improvement through beneficial weather, but wheat stocks reported in the former are now below a year ago. The sustaining influence in the domestic market was not sufficient to offset the general market tendency, and important price declines were experienced. These declines were particularly extensive in the case of rye as farm stocks available for sale in the important producing districts remained large and offerings from Poland at very low prices were resumed around the middle of the month.

Shipments of wheat from the Danubian ports during the first two weeks in May were larger than in any week since the end of November, whereas at the same time last year they were practically nil. This shows some revival of export business activity in southeastern Europe.

The trade's present opinion is that price developments from now on, particularly for bread grains, will be very sensitive to reports on crop conditions, but that the abundant supplies available will remain the chief determiner of the general price level. It is also thought that the Continent's import takings will be large during the coming months and that the low price of bread grains has already led to some increased consumption of bread cereals, both as food and as feed. The delayed growth of the new crop in Europe is not so important a factor toward increased dependence on foreign supplies as a month ago, because of the fact that favorable weather conditions have enabled vegetation to catch up some of the delay. The crops in Central Europe are now about 10 to 14 days late, compared with three weeks at the beginning of May. Because of the delay, however, favorable weather from now on is extremely important for the new crop.

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a/ Owen L. Dawson, Acting Agricultural Commissioner, Berlin, May 27, 1929





Reports on crop conditions in Continental Europe indicate that the winter-kill in Central Europe was about normal, though larger than last year in the case of wheat, and even below normal in the case of rye. In the Danube basin and in Western Europe, especially in Northern France, Belgium and Holland, winter-kill is reported to have been extensive.

Spring sowing is now completed practically everywhere. Weather conditions during May have been rather favorable for the development of winter and spring crops. Temporary drought in Western Europe and in the Northern part of Central Europe early in May, as well as in the Balkans during the first two May weeks caused some uneasiness, but good rains fell in due time and changed the situation materially. The area planted to corn this year is reported considerably increased in Southeastern Europe.

Crop reports from individual countries, both official and private, received to date indicate the following:

Conditions in Germany are fairly satisfactory on the whole. According to June reports, however, winter killing is now placed at 6.3 per cent as compared with the estimate of 4.9 per cent a month ago. The condition of winter wheat as of June 1 was 94 per cent of the average of the past ten years, while the condition of spring wheat was 97 per cent of the ten-year average. Winter rye condition is equal to the average of the past ten years, while spring rye is three per cent below. Czechoslovakia and Austria have above average condition of wheat and rye or about the same as last year. May weather was favorable. Crop conditions in Denmark are reported to have considerably improved in consequence of good weather. Winter-kill was small. In Poland early winter-kill reports were exaggerated and the winter-kill of wheat, though above last year, does not appear above the usual; it is even below in the case of rye, but possibly extensive in the case of barley. The condition of the grain crops in Poland has improved steadily during the past two months and according to the latest official report indications are for yields above 1928. The condition of rye and wheat in Latvia is medium to good, winter-kill was not extreme, and smaller in the case of rye than in the case of wheat.

France, Belgium and Holland, which report material damage to winter crops in important sections, also complained of partly unsatisfactory development of spring crops. Wheat in France is reported late and thin in the North, elsewhere in fair condition. Good weather from now on is, however, needed, and with the loss the crop has already experienced through winter and spring damage, the trade expects only a medium wheat crop. The condition of the French crop as of May 1 is reported to be 64 as compared with 65 last year. Italy reports mostly satisfactory condition of the grain except that moisture is needed. Present prospects in Spain are for generally good grain crops.

Hungary reported slightly below average condition for winter wheat and rye, although the stand is rather thin in places. Improvement was registered during May. No particular complaint on Yugoslavian crops is reported. In Rumania and Bulgaria rains in the second half of May were very beneficial and improved the crop outlook for the time being, but more moisture is now needed. The Rumanian Ministry of Agriculture thinks that





the winter-killing in that country will be offset by increased spring sowing. This may, however, mean substitution of corn for wheat. Spring crops are late owing to delayed sowing.

### GERMANY

Wheat prices on the German market were sustained until the last week of May as compared with the American price decline and then weakened under the influence of the overseas markets. While Hard winter No. 2 in New York decreased around 11 cents per bushel between April 20 and May 20, the decline in German wheat prices was only about 4 cents per bushel during the same period. The explanation is said to be that a shortage of spot and near at hand material as a result of low April stocks with the trade and the flour mills, strengthened the German markets considerably. Since the second half of April, however, grain stocks have tended to increase since market arrivals of foreign and domestic wheat were large throughout May. Domestic wheat prices at Berlin declined from 144 cents per bushel on May 15 to 131 cents on May 31.

The price tendency was more pronounced in the case of rye, as stocks available for sale are still large and as recent Polish sales of rye in Germany were effected at prices considerably below the German domestic price level. The price spread between wheat and rye had increased to 25 cents per bushel on May 29, compared with 20 cents per bushel in April and 12 cents on January 23, thus showing the more pronounced drop in the rye quotations. Domestic rye at Berlin sold for 106 cents per bushel on May 31 compared with 125 cents on May 1; by June 4, however, it had risen to 110 cents per bushel.

GERMANY: Price per bushel of domestic wheat and rye

Date of quotation	Wheat			Rye
	Hamburg	Breslau	Berlin	
	a/	b/	c/	d/
	Cents	Cents	Cents	Cents
April 3 .....	150	145	145	125
April 10 .....	151	147	144	124
April 17 .....	152	148	146	126
April 24 .....	152	147	147	126
May 1 .....	---	147	147	125
May 8 .....	151	144	144	122
May 15 .....	150	143	144	122
May 22 .....	150	142	141	118
May 29 .....	146	132	133	108
May 31 .....	143	130	131	106
June 4 .....	146	136	135	110

- a/ Wheat of any German district of at least 58.7 pounds per bushel.  
b/ Wheat of any German district in carloads of 370 bushels of at least 58.7 pounds per bushel.  
c/ "Märkischer" wheat of at least 58.7 pounds per bushel.  
d/ "Märkischer" wheat of at least 55 pounds per bushel.



April imports of wheat in Germany were large, amounting to 10,545,000 bushels compared with 3,843,000 bushels in March, 1929, and 9,253,000 bushels in April, 1928. Export sales during April and May were quiet, and it is believed that actual export figures during the month will not be much different from the 394,000 bushels exported in March. The trade thinks that Germany will be a heavy importer of wheat during the months to come, through August and probably September on account of the late crop.

Wheat stocks in Berlin increased considerably between April 1 and May 1, but were still much below last year. The April disappearance of wheat in Berlin was very large, much larger than in previous months and also larger than in April, 1928. This indicates a rather active flow of wheat into the consumptive channels of flour mills. Stocks with the latter, which were very low during April, may have increased recently, but are not large.

Farm stock figures of the German Agricultural Council as of May 15, 1928 and 1929, were as follows:

Crop	Farm stocks		Stocks available for sale	
	May 15, 1928	May 15, 1929	May 15, 1928	May 15, 1929
	<u>1,000 bushels</u>	<u>1,000 bushels</u>	<u>1,000 bushels</u>	<u>1,000 bushels</u>
Winter wheat..	14,994	12,719	10,726	7,759
Spring wheat..	2,360	2,261	1,950	1,670
Winter rye....	30,770	52,254	10,080	23,150
Spring barley :	3,976	12,864	215	4,376
Potatoes.....	124,174	206,227	17,936	39,426

This comparison shows that total stocks and stocks available for sale of wheat continue smaller than last year, and the quantities to be kept on the farms remain larger than a year ago. Stocks of rye, however, are still much larger than last year, despite a rather heavy disappearance.



France

The French wheat market showed considerable activity during May with heavy imports of foreign wheat in anticipation of the increased import duties effected May 24. Offerings of domestic wheat, on the other hand, were restricted by the expectancy of increased duties, a higher domestic price level, and to some extent uncertain crop prospects in important areas. Local mills had little difficulty in absorbing limited offers of domestic wheat:

EXTRACT OF IMPORT DUTY RATES, EFFECTIVE MAY 24, 1929

<u>Duty Register</u> <u>No.</u>	<u>Product</u>	<u>Cents</u> <u>per bushel</u>	<u>(Formerly)</u> <u>Cts. per bushel</u>
68	Wheat, Spelt mixed grain	53.31	37.32
	<u>Flour:</u>	<u>Cts. per 100 lbs.</u>	<u>Cts. per 100 lbs.</u>
	milling percent-		
	age 70 or above	85.30	63.98
	60 to 70	106.61	76.77
	60 or below	122.62	85.30

According to Consul Cochran at Paris, French Customs Warehouses at the end of March held about 1,500,000 bushels more wheat than at the end of March a year ago. These stocks were probably increased in April and May.

Italy

April import figures, which were very high again, apparently bear out the assumption that Italian wheat requirements to the end of the season are still large. Demand for overseas wheat, spot or near to arrive, continued good through May, with the flour mills forming the bulk of the purchasers. Markets showed generally good interest. No. 2 amber durum was very much favored. Prices declined in sympathy with those overseas.

Business in Plate corn was rather active with prices occasionally firm. Oats remained quiet.

The Italian Government increased the grain import duty from 57.78 to 73.54 cents per bushel, effective May 23. The duty on flour was raised in proportion.

Belgium and Holland

The turnover in Antwerp was again rather large during May, particularly in spot and near, later in the month also in forward positions. Prices declined as in overseas markets, but some confidence was established in the lower level of prices. Visible stocks at Antwerp on May 15 amounted to 1,277,000 bushels of wheat, compared with 2,451,000 bushels on April 15 thus showing considerable decrease from the level a month ago.





The Dutch markets reported fairly important business, particularly in Manitobas, for the Netherlands as well as Belgium and Germany.

### Danube Basin

May business on the Danubian import markets, Czechoslovakia and Austria, was less important than in other places on the Continent, but fairly large quantities changed hands. Hungary and Yugoslavia registered continued activity in the wheat business and export sales have been satisfactory. Rumania and Bulgaria remained quiet with some revival of export sales in the case of Rumania around the middle of the month. Prices declined in sympathy with overseas tendencies. Old crop stocks in Yugoslavia were reported to amount to 11,000,000 bushels at the beginning of May. Offerings of farmers increased with the improvement in crop conditions and were an important factor in the weakening aspect of the market.

A preliminary official report estimates the sown area 1928-29 in Czechoslovakia as follows (compared with final estimates for 1927-28):

	1927-28 <u>1,000 acres</u>	1928-29 <u>1,000 acres</u>
Wheat .....	1,871	1,693
Rye .....	2,486	2,486
Barley .....	1,779	1,766
Oats .....	2,074	2,089

The final official 1928 crop estimate for Hungary gives the following figures compared with the previous estimate (in parenthesis):

	<u>1,000 bushels</u>	<u>1,000 bushels</u>
Wheat .....	99,211	(92,037)
Rye .....	32,587	(32,528)
Barley .....	30,671	(27,871)
Oats .....	27,529	(23,725)
Corn .....	49,592	(43,324)
Potatoes .....	54,031	(47,280)

The upward revision in the case of wheat is considerable.

### Poland

The price tendency on the Polish wheat and rye market was not uniform and fluctuated considerably. Firmer prices at the beginning of the month gave way to declines later on, but the wheat price level remains high. The most interesting happening there was the heavy increase in offerings of rye within the country and on the German markets. The government is now trying to get rid of the reserves purchased last fall, in view of the improved crop prospects. It is expected that the rye export duty will be abolished on June 1, at least temporarily. Other measures to stimulate the export of rye, such as freight rate reductions, etc., have also been taken.



Contrary to the case for rye, there appears to be still considerable need for the importation of wheat, and imports are expected to be large for the remainder of the season. Wheat reserves are exhausted, and the flour mills complain of insufficient supply. It is believed that the necessary importation of wheat will take place against exports of rye, which is more or less on an exchange basis.

### Soviet Russia

The expectations of the trade on prospective Russian purchases of grain are weaker than a month ago. This is confirmed by a letter of the Chairman of Arcos just published in the foreign press, strongly denying that the Soviet Union has any intention of buying overseas wheat at present. Financial difficulties and the urgent necessity of adjusting the Russian trade balance are probably the decisive causes, as the domestic grain market continues tense. Although very little has appeared in the Russian press relative to procurings, it seems that developments were not up to expectations and the April procuring plan not executed in most regions. Few figures are available, but it is safe to assume that the deficit as compared with last year has increased rather than decreased during the past month. The attitude of the Government is probably best characterized by the recent statement made by the Chairman of Russian Commissars, Rykov, at the All-Russian (RSFSR) meeting of Soviets: "We still have at present sufficient grain in the country to provide the working class and to a smaller extent the rural population in need". The Russians will probably make strenuous efforts to carry through the difficult situation, without resorting to grain imports, although much depends on future crop prospects and the development of procurings during the balance of the season, as well as the question of financing grain purchases.

The press indicates the necessity of bringing about an increase of procurings during the remaining months of 1928-29 by "persuading" peasants to keep only so-called "insurance" grain stocks and sell the rest, as well as by measures of social boycott. Now that the spring sowing campaign is almost finished in the southern regions and there is consequently no more a possibility of peasants reacting unfavorably on Government measures, the grain procuring organs may force procurings of grain to the greatest extent possible. This will, in the first place, involve the more well to do peasants, who are the chief holders of grain at present and will probably be carried on under the slogan of "class war" with measures which may in some cases not differ widely from those applied a year ago.

The latest official statement as to crop conditions is the bulletin of the Experimental section of the Commissariat of Agriculture to RSFSR dated May 15, which indicated that the beginning of May was characterized by warmer weather throughout almost the whole of the European section of RSFSR. Good rains were experienced in the southern, southeastern and the Central Fertile regions. The Experiment Stations report that the moisture content of the soil is quite sufficient despite dry weather last year.





The setting-in of warm weather influenced favorably the development of winter as well as spring seedlings. Later local newspaper reports continued to indicate favorable weather conditions almost everywhere, the Central Fertile region and the Slavgorodsk region of Siberia being almost the only exceptions mentioned. In the former, there is some danger that some drying out of soil may take place as temperatures around May 15 were about 7 degrees Centigrade above normal. The sowing campaign of early spring crops is finished in most southern regions (Ukraine, North Caucasus, Kasakstan, southern section of Central Fertile region, southwestern section of Volga region) and conditions of spring seedlings are characterized as quite satisfactory. Spring has been delayed by about 3 weeks for the Union as a whole, but was fully four weeks late in the case of Ukraine.

It is as yet not possible to form an opinion as to the extent of winter-kill and damage done to winter crops by the severe winter 1928-29. It seems that winter damage was more than usual in some sections and that resowing was necessary. Recent newspaper reports mentioned the steppe regions of Ukraine and parts of the Central Fertile regions as regions where resowing was necessary. Concerning regions previously reported having suffered from the severe winter (North Caucasus and Middle Volga region) not more statements were made in the Russian press, and mid-May reports from Rostov-on-the-Don (North Caucasus) place winter rye at 4 points and winter wheat at 3 points a/; also the statement was made that warm weather and recent local rains were favorable to crops. The International Institute of Agriculture placed winter-kill in the northern section of North Caucasus at 20-30 per cent and at 0-10 per cent in the southern section of this district. As to the Lower Volga region, winter rye is reported to have come through the winter safely and, on the whole, the crop outlook there is quite favorable. The favorable weather conditions during the first half of May had doubtless a beneficial effect on the crops and it is now stated that winter crops are average, although varying considerably in different sections.

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a/ 3 equals average, 4 good.



## Wheat balances, by countries, 1926 - 1928

Country, item and period	Year beginning July 1		
	1926	1927	1928
	1,000 bushels	1,000 bushels	1,000 bushels
<u>Germany</u>			
Production .....	95,429	120,522	141,593
Net imports:			
July-March .....	64,245	70,812	47,560
April .....	8,428	8,882	a/ 10,545
May-June .....	20,831	12,079	
Apparent utilization	188,933	212,295	
<u>Italy</u>			
Production .....	220,644	195,809	223,596
Net imports:			
July-March .....	60,961	52,471	65,991
April .....	8,832	10,984	8,487
May-June .....	17,350	23,337	
Apparent utilization	307,787	282,601	
<u>France</u>			
Production .....	231,767	276,128	277,657
Net imports:			
July-February .....	28,333	45,433	30,807
March .....	7,160	2,124	3,474
February-June .....	17,024	6,299	
Apparent utilization	284,284	329,984	
<u>Belgium</u>			
Production .....	12,801	16,277	17,986
Net imports:			
July-February .....	24,542	28,389	28,025
March .....	3,832	3,946	3,127
April-June .....	11,416	9,831	
Apparent utilization	52,591	58,443	
<u>Netherlands</u>			
Production .....	5,487	6,156	7,569
Net imports:			
July-March .....	20,771	23,878	21,908
April .....	2,162	2,083	2,122
May-June .....	5,260	5,011	
Apparent utilization	33,680	37,128	
<u>Czechoslovakia</u>			
Production .....	34,130	40,385	48,250
Net imports:			
July-February .....	13,631	14,309	12,345
March .....	1,511	2,088	1,079
April-June .....	5,850	4,885	
Apparent utilization	55,122	61,667	
<u>Switzerland</u>			
Production .....	4,244	4,119	4,270
Net imports:			
July-March .....	14,031	15,247	10,694
April .....	1,080	1,429	1,969
May-June .....	2,109	1,751	
Apparent utilization	21,464	22,546	

Continued -



## Wheat balances, by countries, 1926-1928, continued

Country, item and period	Year beginning July 1		
	1926	1927	1928
	1,000 bushels	1,000 bushels	1,000 bushels
<u>Greece</u>			
Production .....	12,403	12,970	15,676
Net imports:			
July-February .....	(	11,400	12,900
March .....	(19,502	2,100	2,000
April-June .....	(	5,500	
Apparent utilization	31,905	31,970	
<u>Denmark</u>			
Production .....	8,767	9,408	12,125
Net imports:			
July-February .....	4,024	6,339	9,618
March .....	379	1,161	999
April-June .....	2,250	2,981	
Apparent utilization	15,420	19,839	
<u>Poland</u>			
Production .....	47,080	54,230	59,219
Net imports:			
July-February .....	58	2,552	3,375
March .....	751	71	94
April-June .....	6,485	4,992	
Apparent utilization	54,374	61,845	
<u>Sweden</u>			
Production .....	12,155	16,151	19,469
Net imports:			
July-March .....	3,694	6,743	5,352
April .....	362	863	1,091
May-June .....	1,884	1,197	
Apparent utilization	18,093	24,954	
<u>Norway</u>			
Production .....	586	605	676
Net imports:			
July-February .....	4,082	4,851	5,576
March .....	659	515	932
April-June .....	1,200	1,496	
Apparent utilization	5,527	7,467	
<u>Latvia</u>			
Production .....	1,860	2,636	2,499
Net imports:			
July-January .....	982	1,139	1,700
February .....	79	147	184
March-June .....	576	257	
Apparent utilization	3,497	4,179	

a/ Imports of wheat only.





WHEAT INCLUDING FLOUR: Net exports from principal exporting countries  
and net imports into European importing countries 1927-28 and 1928-29

Country	: Net exports reported ::			Country	: Net imports reported		
	: July 1	: 1927-28	: 1928-29		: July 1	: 1927-28	: 1928-29
	: to	:	:		: to	:	:
		: Million	: Million			: Million	: Million
		: bushels	: bushels			: bushels	: bushels
United States...	June 1	: 184	: 132	United Kingdom	Apr. 30	: 177	: 170
Canada.....	Apr. 30	: 245	: 352	Italy.....	Apr. 30	: 63	: 74
Russia.....	June 1	: 5	: a/	Germany.....	Apr. 30	: 80	: 58
British India...	June 1	: 10	: b/-13	France.....	Mar. 31	: 48	: 34
Hungary.....	Apr. 30	: 20	: 20	Belgium.....	Mar. 31	: 32	: 31
Rumania.....	Mar. 31	: 7	: 4	Netherlands....	Apr. 30	: 26	: 24
Bulgaria.....	--	: --	: --	Czechoslovakia..	Mar. 31	: 16	: 13
Yugoslavia.....	Mar. 31	: 1	: 6	Greece.....	Feb. 28	: 14	: 15
Algeria.....	Mar. 31	: 3	: 4	Irish Fr. State..	Mar. 31	: 15	: 13
Argentina.....	June 1	: 163	: 183	Austria.....	Dec. 31	: 9	: 8
Australia.....	June 1	: 65	: 106	Switzerland....	Apr. 30	: 17	: 13
				Sweden.....	Apr. 30	: 8	: 6
				Norway.....	Mar. 31	: 6	: 7
				Denmark.....	Mar. 31	: 7	: 11
				Finland.....	Mar. 31	: 4	: 4
				Poland.....	Mar. 31	: 3	: 5
				Estonia.....	Mar. 31	: 1	: 1
				Latvia.....	Feb. 28	: 1	: 2
				Total important:			
Total		: 704	: 804	European coun-		: 527	: 487
				tries.....			

a/ Less than .01 million bushels. b/ Net imports.

WHEAT: Acreage, average 1909-1913, annual 1926-1929

Countries reporting in 1929 a/	: Average : 1909-13	: 1926	: 1927	: 1928	: 1929
	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000
	: acres	: acres	: acres	: acres	: acres
Canada b/.....	: 1,019	: 844	: 853	: 819	: 898
United States b/.....	: 28,382	: 36,987	: 37,723	: 36,179	: 40,467
Mexico.....	: 2,174	: 1,286	: 1,311	: 1,283	: 1,238
Total (3).....	: 31,575	: 39,117	: 39,887	: 38,281	: 42,603
Europe (13).....	: 59,541	: 54,934	: 55,262	: 56,295	: 57,309
Africa (4).....	: 6,571	: 8,189	: 7,199	: 7,865	: 8,025
Asia (2).....	: 30,124	: 31,565	: 32,115	: 33,042	: 32,731
Total above count. (22):	: 127,811	: 133,805	: 134,453	: 135,483	: 140,668
Est. world total, win-	:	:	:	:	:
ter and spring acre-	:	:	:	:	:
age, ex. Russia and	:	:	:	:	:
China.....	: 204,200	: 232,500	: 239,200	: 243,000	:

a/ Figures in parenthesis indicate the number of countries included.

b/ Winter acreage only.



Rate reductions on export grain

In addition to the reduction of 2 cents a bushel in the export rate on wheat from Buffalo and other lower lake ports to the eastern seaboard, previously announced, further reductions authorized by the Interstate Commerce Commission in the export rates on wheat and wheat flour from the principal primary markets and shipping points in the Middle West to lake ports and the Gulf and Atlantic seaboard are now in effect. Those additional reductions range from 3.3 cents to 10.5 cents per bushel, and are equivalent to 20.75 per cent and 60.34 per cent, respectively.

The most important reduction, perhaps, is the one from Kansas City and certain other points to the Gulf seaboard, where the rate was reduced from 18.3 cents to 11.4 cents a bushel - a reduction of 6.9 cents a bushel, or 37.70 per cent. The new emergency rates are flat rates applicable to movement of wheat for export only and will expire as of September 30, 1929. Corresponding reductions have also been authorized on wheat flour.

The regular and emergency rates on wheat, in cents per bushel, between the principal points of origin and export centers, together with the amount and percentage of the reduction, are indicated in the following tabulation:

From -	To -	Rate per bushel		Reduction per bushel	
		Regular	Emergency	Amount	Percentage
		Cents	Cents	Cents	Per cent
Missouri river ...	Chicago	14.1	6.9	7.2	51.06
Missouri river section .....	Missouri river	8.1	4.5	3.6	44.44
St. Paul and Minneapolis ...	Chicago	13.5	4.2	9.3	68.89
Omaha .....	Gulf ports	18.9	12.0	6.9	36.51
Kansas City .....	Gulf ports	18.3	11.4	6.9	37.70
Minneapolis .....	Duluth	7.8	2.4	5.4	69.23
Omaha .....	Duluth	17.4	6.9	10.5	60.34
Sioux City .....	Duluth	14.7	6.9	7.8	53.06
Kansas City .....	Duluth	11.4	7.8	3.6	31.56
St. Louis .....	New Orleans	14.1	7.5	6.6	46.80
Buffalo .....	New York	9.1	7.1	2.0	21.98
Chicago .....	New York	a/ 13.5	10.2	3.3	24.44
St. Louis .....	New York	a/ 15.9	12.6	3.3	20.75

a/ Proportional export rate.





# Barge Line rates also reduced

Reductions have also been made in the rates via the Mississippi River Barge Line and in the combination rail and barge line rates on movements originating at points in the interior. The regular and emergency rates in effect until September 30, 1929, are as follows:

To New Orleans -	Rate per bushel	
	Regular	Emergency
	Cents	Cents
1. <u>Rail and barge:</u>		
From -		
Atchison, Kans.....	15.00	8.10
Kansas City, Kans.....	15.00	8.10
Kansas City, Mo.....	15.00	8.10
Leavenworth, Kans.....	15.00	8.10
Nebraska City, Nebr.....	15.00	8.10
2. <u>Barge line rates:</u>		
From -		
St. Paul and Minneapolis, Minn....	8.88	6.00
Burlington, Ia.....	8.70	5.82
St. Louis, Mo.....	6.90	3.60
Cairo, Ill.....	6.00	2.70

## Canadian roads make reductions

The reduction in the export rate from Buffalo to New York, Boston, and other North Atlantic ports from 9.1 cents to 7.1 cents per bushel, effective May 12, 1929, was followed by a similar reduction by the Canadian railways in the rates from Georgian Bay ports to Montreal and other Canadian seaboard ports. The new rate from Georgian Bay ports to Montreal and Quebec is now 6.6 cents per bushel, as against the regular rate of 8.6 cents; thus placing the American and Canadian rates on substantially the same competitive basis as heretofore.

C.L.L.



France and Italy Increase Import Duty on Wheat

The recent decline in the world price of wheat and a desire to protect the wheat producers of France and Italy have prompted the French and Italian Governments to increase the import duty on wheat by approximately 16 cents a bushel, according to press despatches received from abroad, and confirmed by reports from representatives of the United States Department of Commerce. Corresponding increases have been ordered in the import duty on flour and other wheat products.

In France, the import duty was increased from 35 to 50 francs per 100 kilograms, that is, from the equivalent of 37.32 to 53.31 cents per bushel. This marks the third increase within a period of less than two years. In considering the probable effect of this increase, it may be well to point out that France has for many years been unable to produce sufficient wheat to meet her domestic requirements and she has, therefore, found it necessary to supply the deficit by imports from other countries.

The French import requirements vary from year to year and depend mostly upon the size and quality of the domestic crop. During the crop year 1927-28, when the French wheat crop (in 1927) was estimated at 276,128,000 bushels, the imports of wheat into France amounted to approximately 53,346,000 bushels, or about the same as during the preceding crop year (1926-27) when the 1926 crop was reported at only 231,767,000 bushels. Of the 53,346,000 bushels imported into France in 1927-28, the United States is credited with 12,432,610 bushels. However, according to the United States export returns the exports to France during this period are given as only 5,127,000 bushels. This apparent discrepancy is to be explained no doubt by the fact that Canadian wheat which moves through the United States for export to France is officially credited to the United States in the French import statistics, while American wheat exported through Canada would be credited to Canada.

The Italian duty was increased from 11 Gold Lire to 14 Gold Lire per 100 kilograms (57.78 cents to 73.54 cents per bushel). While the reported increase in the duty is attributed primarily to the present decline in the world price of wheat, it is well to keep in mind that this action of the Italian Government is in line with its general program inaugurated several years ago to encourage the increased production of wheat in that country. In considering the probable effect of this change in duty, it is well to remember that Italy has always had a relatively high tariff on wheat. Even before the World War, extending as far back as 1866, Italy had a tariff on wheat that was equivalent to approximately 39 cents per bushel. During the World War, and for several years afterwards, these duties were suspended but were re-established in 1925.



The average annual imports of wheat into Italy during the five years 1923 - 1927 amounted to approximately 80,000,000 bushels. The average annual production during the same period was reported at 210,435,300 bushels. The 1928 crop was estimated at 228,596,000 bushels, compared with 195,209,000 bushels in 1927, and 220,644,000 bushels in 1926. While Italy is generally regarded as the principal foreign market for American durum wheat, the bulk of the Italian imports consist of so-called "soft" wheats. In 1926-27, for example, the latest year for which official import figures for Italy are available, the imports of so-called "soft" wheat amounted to 67,676,663 bushels, as against 20,419,079 bushels of "hard" wheat, which is understood to be composed largely of Durum wheat.

Just what proportion of the Italian wheat requirements, particularly of Durum wheat, are supplied by the United States is something upon which our trade statistics do not throw very much light. The situation is somewhat complicated by reason of the manner in which wheat is handled in international trade and the fact that the Italian statistics credit to the United States all wheat which is received in that country from the United States, and which includes considerable quantities of Canadian wheat that are shipped through the United States in transit. On the other hand, most of our Durum wheat is exported through Canadian ports, so that this wheat completely loses its identity, for statistical purposes, so far as the country of ultimate destination is concerned. In 1926-27 and 1927-28, for example, the exports of all wheat to Italy from the United States, according to the official export returns published by the United States Department of Commerce, amounted to 10,400,000 bushels for each of these two years. According to the Italian statistics, the imports of wheat from the United States amounted to 37,776,959 bushels in 1926-27 and 33,913,398 bushels in 1927-28. Obviously, none of these figures correctly represents the actual volume of American grain that was exported from the United States to Italy.

On the basis of the Italian wheat requirements for the past few years, therefore, it would appear that for the balance of the present season at least, Italy will continue in the market for its customary requirements and that unless her 1929 crop very materially exceeds the quantity produced in former years, the increased rate of duty will have little, if any, effect on the general demand or the price of wheat. While it is, of course, impossible to state definitely what effect the change in the rates of duty is likely to have in the long run, it is probable that other factors such as the size and condition of the wheat crop in Italy and throughout the rest of the world will play a more important part in the imports and demand for Durum wheat than the increase in the rate of duty.

C.L.L.





Japanese interest in North Manchurian wheat

Japanese exporters are beginning to show interest in North Manchurian wheat, according to the "Economic Bulletin", No. 7, April 17, 1929, supplement to "Manchuria Monitor", published by the Eastern Chinese Railroad in Harbin. Recently the Japanese began to study local wheat intending to develop in the future exports on a larger scale than heretofore. As is generally known, Japan is shifting more and more to the consumption of wheat flour. The flour milling industry of Japan has made considerable progress during the last decade. A large quantity of flour is exported by Japan to the Pacific Asiatic ports. Japanese flour mills have depended principally on Canada for their wheat. Only during the last two years has Japan been watching the North Manchurian grain and the Japanese importers have become entirely satisfied with it. Apparently the recent interest of Japan in Manchurian wheat is due to the intention of increasing the purchases of wheat in North Manchuria. For Manchuria, on the other hand, it is less profitable to export grain than the products of its milling industry. However, the local millers claim that the high, almost prohibitive, rates on the South Manchurian Railway do not permit them to export flour to southern Manchuria, Japan, and the port cities of China. During the present campaign the Harbin flour mills were working for South Manchuria and to some extent for Shanghai only on special orders, but the number of such orders was comparatively small.

At present the local mills are doing quite well, working primarily for the local market, the absorbing capacity of which is increasing every year because the Chinese population is rapidly shifting to the consumption of wheat flour. The mills are well supplied with orders for the local market. The trade in bran is also good notwithstanding its high price. Bran is used primarily by the dairy farms and to some extent also by the poultry farms. Exports of bran have also increased.

L.V.



Wheat stocks of merchant mills

In our tables of the supply and distribution of wheat we carry items showing the estimated stocks in merchant mills and elevators and amounts which these mills have in transit and bought to arrive. The basic figures for these estimated stocks are to be found in the quarterly reports of the Department of Commerce. The Department of Commerce reports include stocks of wheat held by mills which report to them, and as all mills do not report their stocks it is necessary to estimate the stocks held by mills not included in the reports. Heretofore we have made such estimates, but with the issuance of the report of stocks held March 31, 1929, it has become possible to obtain a better basis for the estimates, and the estimates of the total stocks of merchant mills have consequently been revised.

As an indication of how large a portion of the merchant mills is included in the quarterly stock reports, there is given the percentage which these mills produced of the total flour production reported by the latest available Census of Manufactures. Thus in the report for March 31, 1929 it is stated concerning the mills which reported their stocks as of that date: "These mills produced 93.1 per cent of the total output of wheat flour reported at the Census of Manufactures in 1927". The percentage given always relates to the flour production of about two or more years before. For example, the percentages, as reported for the quarters from June 30, 1925, when wheat and wheat flour stocks held by mills were first published, to December 31 inclusive, are as of the total output of wheat flour reported at the Census of Manufactures, 1923. Those for the quarters, March 31, 1927, to December 31, 1928, inclusive are based on the 1925 Census of Manufactures, and subsequent reports on the 1927 Census of Manufactures.

It is not accurate to assume that the percentage which the reporting mills output constituted of the total for two or more years ago is the percentage which they constitute of the current years output. The mills which report tend to be the larger or more successful ones and in the interval which has elapsed some small and unsuccessful ones have gone out of business, some mills have burnt, and some new ones have been built. The net result of these changes is that mills now reporting produce a larger proportion of the current total flour output than they did of the total flour output of two years ago. Evidence of this is to be found when percentage statements are changed from the basis of one Census of Manufactures to that of another. Thus in the quarterly report of December 31, 1928, the percentage of flour which reporting mills produced was given as of the total output reported at the census of manufactures in 1925 and then in the next report the same production was given as a percentage of the total output reported at the Census in 1927 -- the former figure was 90.7 and the latter 92.8, the same number of mills having produced 90.7 per cent of the flour produced in 1925 and 92.8 per cent of that produced in 1927. This gives a basis for saying that as a result of the passage of



the two year period (1925 to 1927) there was an increase of 2.1 in the percentage which mills reporting December 31, 1928 produced of the total.<sup>a/</sup> Therefore the extent to which the report of a given date underestimates the true percentage which the reporting mills constitute of the total, depends upon the length of time that has elapsed since the date for which the comparison is made, and as the comparisons can never be made as of the date of the stocks report, there is always an under statement of the percentage.

If the amount of the under statement depended only on the length of time elapsed, then the correction could be made by adding a given amount for each quarter which has elapsed since the date for which the comparison was made. Thus taking 2.1 per cent as the change existing for two years elapsed time, 1.05 would need to be added for each year or .2625 for each quarter. In this case the percentage of 92.8 reported December 31, 1928, which is based on the calendar year of 1927, centered at the middle, would need to have 1.6 added to it, making the percentage 94.4 and the percentage reported for March 31 would need to have 1.8 added to it.

Changes in the milling industry brought about by failures, mergers, construction of new mills, and other shifts in the relative amount of business done by reporting and non-reporting mills apparently have been made at a slower rate in recent years than formerly. Thus, in the report of stocks, when the change was made from giving a percentage based on the 1923 Census to one based on the 1925 Census, the difference or under statement of the true percentage appears to have been 3.0 due to a change of two years in the elapsed time. This is an average of .375 per quarter as compared with .2625 per quarter evidenced by the change from the 1925 to 1927 Census basis. It would seem, then, that the amount of correction necessary for more recent periods of time elapsed between the date of a report and the period for which a percentage comparison was made would be less than for earlier periods.

While there is no entirely satisfactory measure of the rate of change which should be made in this correction figure, it is possible, nevertheless, to interpolate between the two figures which are available, .3750 and .2625. The former figure represents the average correction necessary per quarter of elapsed time from 1923 to 1925. The correction for quarters prior to July 1, 1924 should be larger, and smaller for those following that date. The figure .2625 likewise is the average correction per quarter to be applied for the period July 1, 1925 to June 30, 1927. If a straight line interpolation were used and it were extended to a considerable period in the future, the point would in time be reached when any further correction made for additional lapse of time would necessarily indicate the assumption that the reported percentages were greater than 100 per cent, or, in other words, the report of a given date would

<sup>a/</sup> It is assumed that the per cent of which these mills produce of the total flour ground is the same as the per cent which their wheat and wheat flour stocks constitute of the total since there is no other basis of comparison.







over estimate the true percentage which the reporting mills constitute of the total rather than under estimate it. Consequently, it is more reasonable to assume that for each subsequent unit of time there is a constant percentage decrease in the correction to be applied rather than a constant absolute decrease. Thus, while the correcting figure would continue to be less and less, it would never reach the point mentioned under the straight line interpolation.

The latter method of interpolating, therefore, was used in securing the correction figures for the percentages as reported. This was done by taking the corresponding logarithmic values of .375 and .2625 (with slight adjustments) as points to work from. a/ Since a

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a/ A slight adjustment is necessary due to the fact that the average correction per quarter of elapsed time, .3750 for the period from 1923 to 1925 and .2625 for the period 1925 to 1927, is centered on July 1 of the even years or applies to a quarter which centers on July 1 rather than to one which ends or begins on that date. One way of correcting this is to take one-sixteenth of the logarithmic difference between .3750 and .2625 and add it to these values, which would have the same effect as moving the points of interpolation back one-half of a quarter. The interpolation between points would remain unchanged.

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period of two years has elapsed between these two points, it is necessary to take one-eighth of the difference between the two points to get the quarterly percentage decrease in the correction to be applied. Taking the antilogarithms of the numbers arrived at will give the correction in original values or percentages. The resulting corrections per unit of elapsed time and accumulations are shown in the table on the following page.

The table on the next page shows the estimated current percentages resulting from the correction of the percentages as given in census reports.

E.J.W. and H.E.R.



Tabulation of corrections to be made in percentages reported  
by the Census in computing total commercial mill stocks  
of wheat and wheat-flour

Quarter ended	Per unit of elapsed time	Accumulated from July 1, 1923	Accumulated from July 1, 1925	Accumulated from July 1, 1927
	Per cent	Per cent	Per cent	Per cent
Sept. 30, 1923.....	.438			
Dec. 31, 1923.....	.419			
Mar. 31, 1924.....	.401			
June 30, 1924.....	.383			
Sept. 30, 1924.....	.367			
Dec. 31, 1924.....	.351			
Mar. 31, 1925.....	.335			
June 30, 1925.....	.321	3.015		
Sept. 30, 1925.....	.307	3.322		
Dec. 31, 1925.....	.294	3.616		
Mar. 31, 1926.....	.281	3.897		
June 30, 1926.....	.268	4.165		
Sept. 30, 1926.....	.257	4.422		
Dec. 31, 1926.....	.246	4.668		
Mar. 31, 1927.....	.235		1.888	
June 30, 1927.....	.225		2.113	
Sept. 30, 1927.....	.215		2.328	
Dec. 31, 1927.....	.205		2.533	
Mar. 31, 1928.....	.196		2.729	
June 30, 1928.....	.188		2.917	
Sept. 30, 1928.....	.180		3.097	
Dec. 31, 1928.....	.172		3.269	1.156
Mar. 31, 1929.....	.164			1.320
June 30, 1929.....	.157			1.477
Sept. 30, 1929.....	.150			1.627
Dec. 31, 1929.....	.144			1.771
Mar. 31, 1930.....	.138			1.909
June 30, 1930.....	.132			2.041
Sept. 30, 1930.....	.126			2.167
Dec. 31, 1930.....	.120			2.287



Estimated current percentages secured by  
addition of the correction figure to  
percentages as reported

Quarter ended	Percentage as reported	Correction	Estimated percentages
	Per cent	Per cent	Per cent
June 30, 1926 .....	87.4	3.0	90.4
Sept. 30, 1926 .....	---	---	---
Dec. 31, 1926 .....	88.0	3.6	91.6
Mar. 31, 1927 .....	88.4	3.9	92.3
June 30, 1927 .....	87.4	4.2	91.6
Sept. 30, 1927 .....	87.4	4.4	91.8
Dec. 31, 1927 .....	87.5	4.7	92.2
Mar. 31, 1928 .....	90.5	1.9	92.4
June 30, 1928 .....	90.1	2.1	92.2
Sept. 30, 1928 .....	89.1	2.3	91.4
Dec. 31, 1928 .....	89.5	2.5	92.0
Mar. 31, 1929 .....	91.2	2.7	93.9
June 30, 1929 .....	90.4	2.9	93.3
Sept. 30, 1929 .....	90.8	3.1	93.9
Dec. 31, 1929 .....	92.8	1.2	94.0
Mar. 31, 1930 .....	93.1	1.3	94.4
June 30, 1930 .....		1.5	
Sept. 30, 1930 .....		1.6	
Dec. 31, 1930 .....		1.8	
Mar. 31, 1931 .....		1.9	
June 30, 1931 .....		2.0	
Sept. 30, 1931 .....		2.2	
Dec. 31, 1931 .....		2.3	





Wheat and wheat flour stocks held by merchant mills, raised to 100 per cent to represent all mills on basis of corrected percentages  
June 30, 1925 - March 31, 1929

Date	In transit and bought to arrive	In mills and ele- vators at- tached to mills	Total	Wheat flour	
				Barrels	Bushels a/
1925					
June 30	9,000,000	22,576,363	31,576,363	3,702,337	17,400,984
Dec. 31	10,427,000	67,842,113	78,269,113	5,004,816	23,522,635
1926					
Mar. 31	3,569,182	49,757,515	53,326,697	4,212,759	19,799,967
June 30	7,349,873	24,505,017	31,854,890	3,407,996	16,017,581
Sept. 30	16,751,309	87,007,188	103,758,497	4,593,862	21,591,151
Dec. 31	14,627,764	77,920,633	92,548,397	4,702,874	22,103,508
1927					
Mar. 31	6,981,558	65,553,679	72,535,237	4,466,371	20,991,944
June 30	11,274,278	37,037,670	48,311,948	3,868,138	18,180,249
Sept. 30	17,636,432	84,514,537	102,150,969	4,667,949	21,939,360
Dec. 31	20,203,678	76,587,937	96,791,615	4,934,679	23,192,991
1928					
Mar. 31	10,018,636	62,886,562	72,905,198	4,461,006	20,966,728
June 30	10,892,610	31,920,426	42,813,036	3,895,481	18,308,761
Sept. 30	25,423,707	98,673,827	124,097,534	4,452,065	20,924,706
Dec. 31	24,298,184	93,866,285	118,164,469	4,890,418	22,984,965
1929					
Mar. 31	9,185,032	78,757,094	87,942,126	4,614,250	21,686,975
June 30					
Sept. 30					
Dec. 31					

a/ Barrels converted to bushels by multiplying by 4.7.



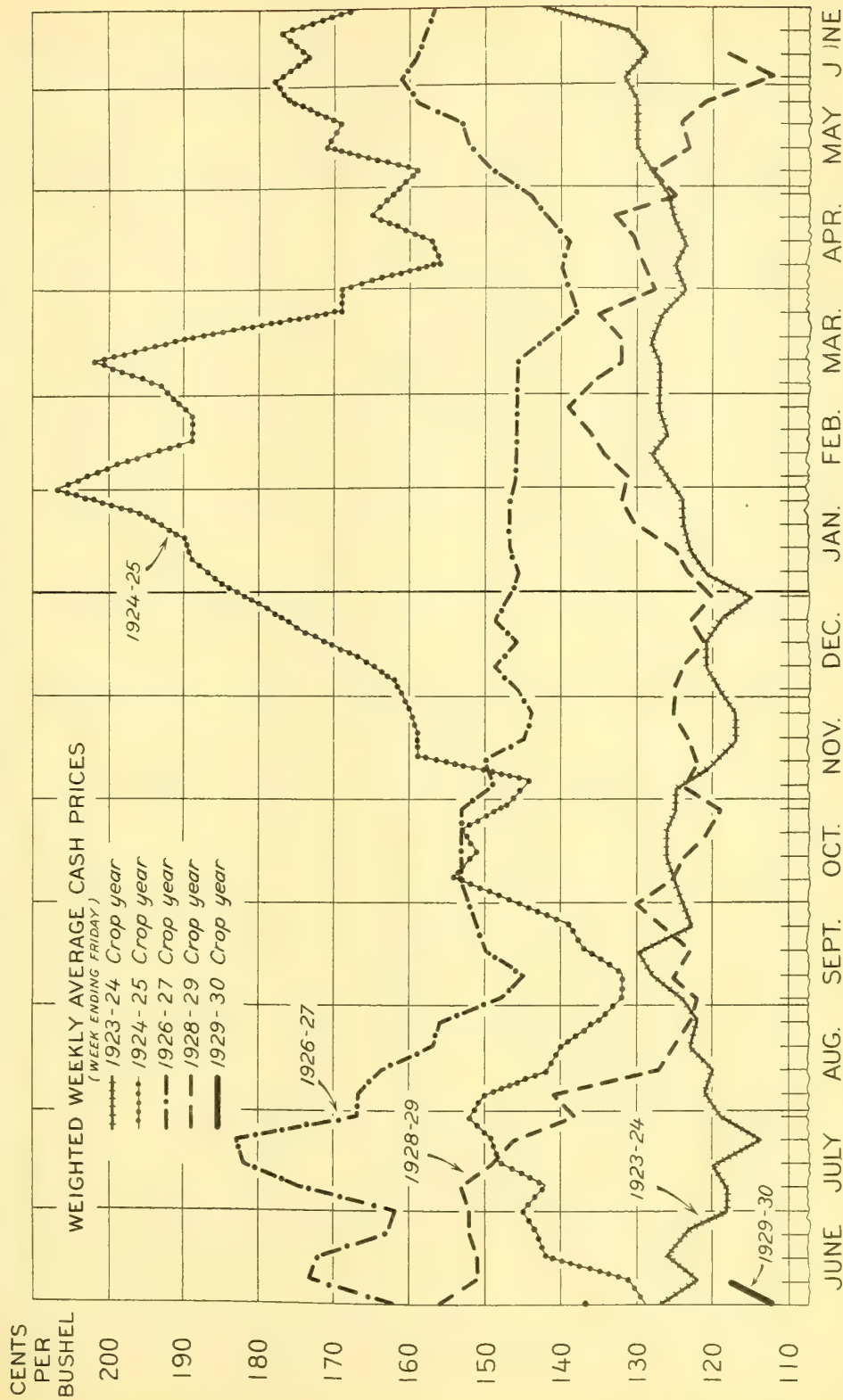
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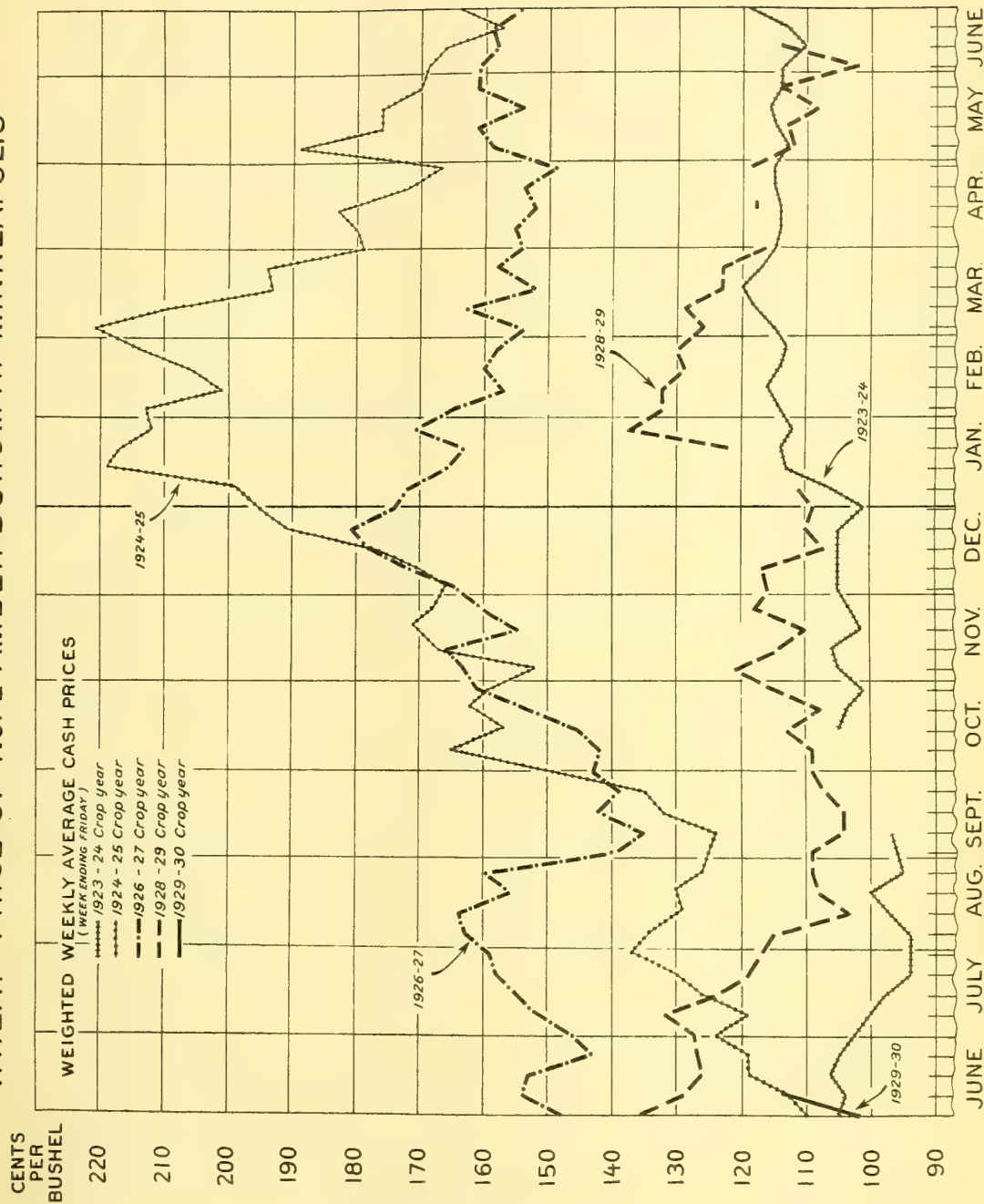
# WHEAT: PRICE OF NO. 1 DARK NORTHERN SPRING AT MINNEAPOLIS





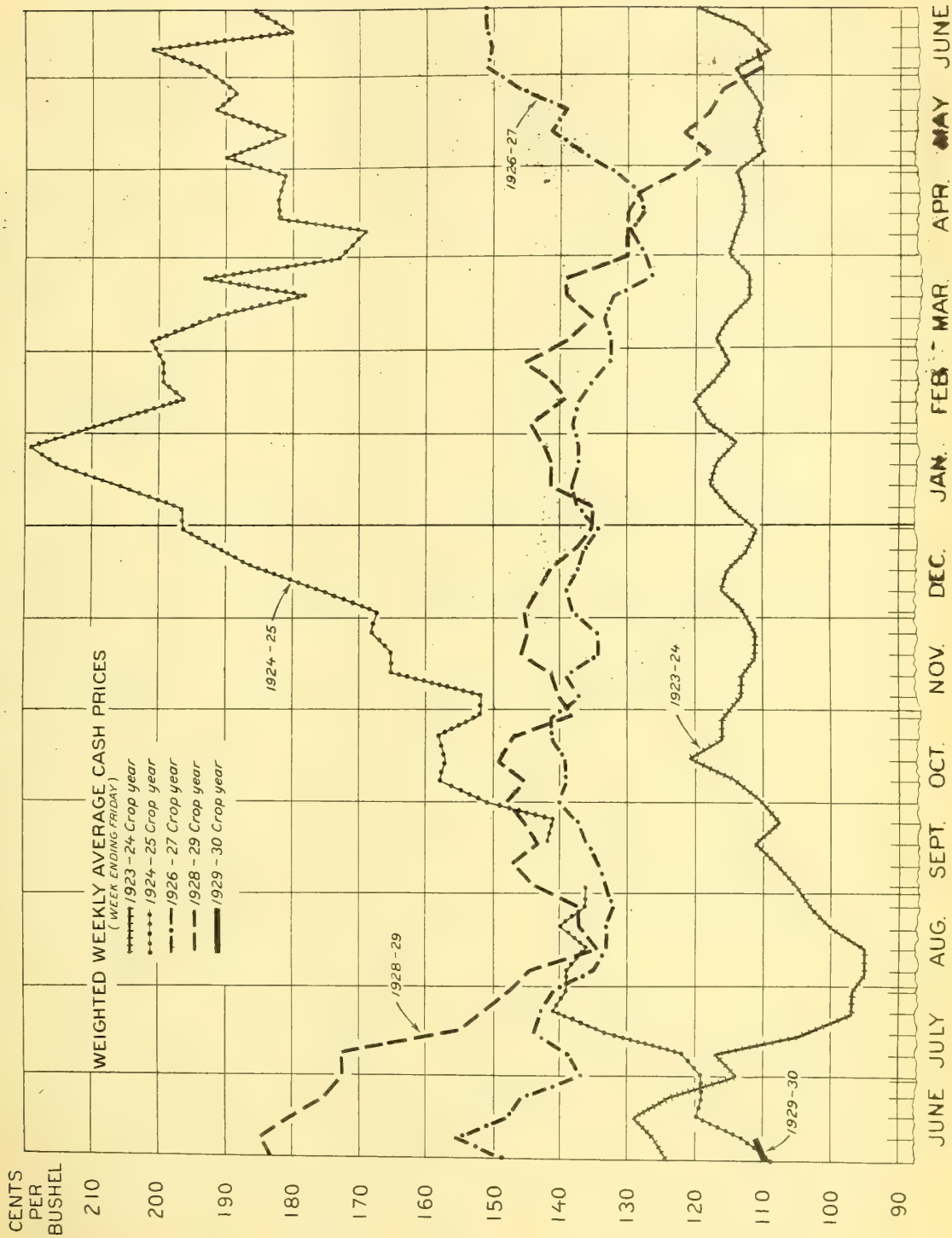


# WHEAT: PRICE OF No. 2 AMBER DURUM AT MINNEAPOLIS



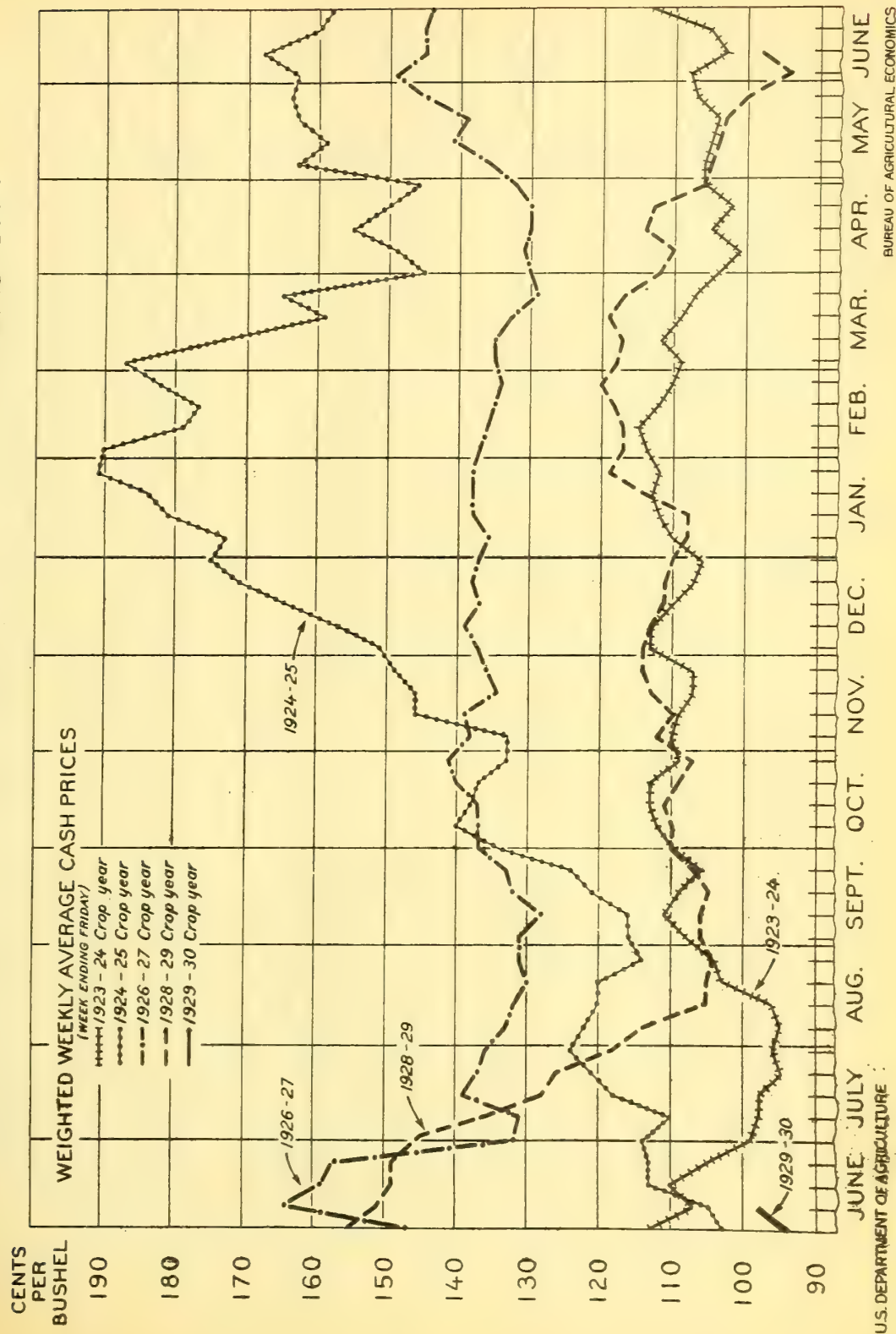


# WHEAT: PRICE OF No. 2 RED WINTER AT ST. LOUIS





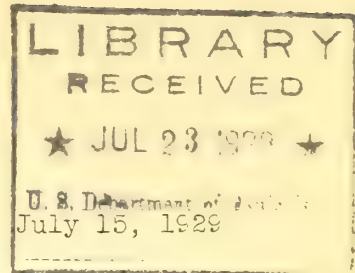
# WHEAT: PRICE OF NO.2 HARD WINTER AT KANSAS CITY







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752F  
UNITED STATES DEPARTMENT OF AGRICULTURE  
Bureau of Agricultural Economics  
Washington



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WH-37

FOREIGN NEWS ON WHEAT

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WORLD WHEAT CROP AND MARKET PROSPECTS

The world's carryover of wheat appears to be about 100 to 125 million bushels in excess of the carryover on July 1 last year. But weather and crop condition reports to July 12 indicate that the world's wheat crop may be about 325 million bushels less than last year, and the world's supply therefore about 200 million bushels less than last year. Allowing for an increase of 70 million bushels annually in the world's demand for wheat, normally this reduction in supply would have the effect of raising world prices about 25 cents per bushel. Considering the large carryover of wheat in the United States, the market price for export wheat might not be increased by so much as 25 cents per bushel. It appears, however, that an increase of 15 to 25 cents per bushel over the average for the past season might be expected.

World's carryover

The world's carryover of wheat on July 1, the beginning of the new marketing season for the United States, will probably be about 100 to 125 million bushels in excess of the 421 million bushels accounted for as of July 1, 1928. Most of the increase in carryover is in the United States. The stocks on farms are reported to be 45 million bushels as compared with 24 millions last year, and the commercial visible supply 96 millions as compared with 42 millions last year, an increase of 75 million bushels in these two positions. Some increase in country mills and elevators and in merchant mills is also to be expected. The Canadian visible supply including stocks in the United States, according to Bradstreet, is 19 million bushels in excess of last year. Consul Messersmith of Buenos Aires reports that estimates of the exportable surplus in Argentina range from 73 to 85



million bushels, which is to be compared with a computed exportable surplus of 78 million bushels as of July 1 last year. Consul General Garrels of Australia reports that stocks in Australia are 53 million bushels, compared with a computed figure of 56 millions last year. The United Kingdom port stocks and afloat are only one million bushels in excess of the corresponding date last year. Summarizing, it appears that the carryover in the United States on July 1 will be found to be about 90 to 100 million bushels, to which is to be added an increase of about 20 millions in the Canadian supply.

## WHEAT: Carryover or stocks, July 1, 1924 - 1929

Position	: 1924	: 1925	: 1926	: 1927	: 1928	: 1929
	: Million:	: Million:	: Million:	: Million:	: Million:	: Million:
	: bushels:	: bushels:	: bushels:	: bushels:	: bushels:	: bushels:
United States:						
Stocks on farms.....	31	29	21	27	24	45
Stocks in country						
mills and elevators	37	25	30	22	19	
Commercial visible <u>a/</u>	39	29	18	26	42	96
Merchant mills.....)		23	25	37	32	
In transit.....)	<u>b/38</u>	9	7	11	11	
Total, United States	145	115	99	123	128	
Canada <u>a/</u> .....	45	37	40	49	99	118
Argentina <u>c/</u> .....	55	45	50	58	78	80
Australia <u>d/</u> .....	42	42	33	58	56	53
United Kingdom, port						
stocks and floating			3			
supply.....	62	52	53	59	60	61
Total.....	349	291	275	347	421	

a/ Bradstreet's commercial visible.

b/ Interpolated, not to be used as an official figure.

c/ Exportable surplus computed as of July 1. The figure for 1929 is average of range reported by Consul Messersmith of Buenos Aires.

d/ Stocks computed as of July 1. The figure for 1929 was reported by Consul General Garrels of Melbourne.



World production, acreage and crop conditions

It is now apparent that the decrease in production will more than offset the increase in stocks at the beginning of the year. July 1 conditions indicate that the crop in the United States may be nearly 70 million bushels short of last year, which goes a long way toward offsetting the increase in stocks here. Production forecasts in 10 countries reported to date total 1,461 million bushels or 103 million less than last year when these countries produced 40 per cent of the world total. Crop and weather conditions reported to date indicate that the Northern Hemisphere crop outside of Russia and China may be at least 250 million bushels short of last year. A month ago we presented an analysis of weather conditions in Canada, indicating a crop of about 375 to 400 million bushels, assuming normal conditions for the remainder of the season. Since weather conditions have continued unfavorable, it appears that the outturn of the crop is likely to be nearer the lower than the higher figure indicated a month ago, and a continuation of present unfavorable conditions may further reduce the crop. The official report of conditions as of July 1 was 88 as compared with 102 last year, indicating that the yield may be considerably below average.

Agricultural Commissioner Dawson in Berlin reports that with average conditions for the remainder of the season the Continental European wheat crop probably will be materially below last year. While Spain is harvesting a good crop and conditions appear to be favorable for good yields in Austria, Germany and Poland, smaller crops are expected in the Balkan countries, France, Belgium and the Netherlands. Favorable conditions for the remainder of the season may bring the crops of France and of some other countries fairly close to those of last year. It seems likely, however, that even with most favorable conditions the European wheat crop outside of Russia will be somewhat smaller than that of 1928. Reports of the Russian crop are somewhat confusing to date. However, there is no indication of an exportable surplus from Russia.

It is too early to make any definite estimate of the Southern Hemisphere crops. Trade reports, however, indicate that the area seeded in Argentina is about 15 per cent less than last year. Droughty conditions at time of seeding and favorable corn prices undoubtedly have tended to discourage seedings. An Australian correspondent says that good rains have fallen in Western Australia and that prospects are for an increase of 5 per cent in the area seeded in that state, but droughty conditions have prevailed in the three eastern wheat states and the area may be curtailed to some extent in these states. Allowing for a reduction of 15 per cent in the area of Argentina and the same acreage as last year in Australia, with average yields, the production of these countries would be about 75 million bushels less than last year.

Wheat areas in 26 countries reporting to date total about 189 million acres, one million acres or six-tenths per cent greater than last year. This accounts for 77 per cent of last year's acreage. Should the Argentine area be curtailed 15 per cent and the Australian area be maintained, the world's area to be harvested would probably be no greater and might be less than last year.





## WHEAT: Weighted average cash prices at stated markets

	All classes		No. 2		No. 1		No. 2		No. 2		Western	
Week ended	and grades		Hard Winter		Dk.N.Spring		Amber Durum		Red Winter		White	
	six markets		Kansas City		Minneapolis		Minneapolis		St. Louis		Seattle a/	
	1928:1929		1928:1929		1928:1929		1928:1929		1928:1929		1928:1929	
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
May 31	146	95	155	94	161	112	136	102	183	110	144	104
June 7	145	100	151	98	156	118	136	114	185	111	143	108
14	142	103	149	102	151	120	129	125	180	121	141	103
21	139	104	149	102	151	123	126	109	175	121	139	108
28	141	110	145	109	152	130	127	112	172	127	140	116
July 5	137	115	136	113	153	137	132	116	172	123	140	119
12	132		128		149		124		155		135	
19	129		126		146		119		151		129	
26	122		118		138		117		147		124	

a/ Weekly average of daily cash quotations basis No. 1 sacked 30 day delivery.

## WHEAT: Closing prices of July and September futures

Date	Chicago		Kansas City		Minneapolis		Winnipeg		Liverpool		Buenos Aires a/	
	1928:1929		1928:1929		1928:1929		1928:1929		1928:1929		1928:1929	
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
July futures												
May 29	144	100	136	93	141	99	143	110	156	115	139	94
June 6	142	109	134	102	140	107	142	117	152	115	137	97
13	139	108	132	100	139	105	139	116	149	116	134	95
20	138	112	131	105	137	110	136	119	148	115	130	97
27	137	111	130	105	136	111	136	123	145	118	b/130	100
July 3	136	120	128	113	136	122	138	140	151	129	b/133	111
11	131	122	125	116	132	125	132	144	144	130	b/129	114
September futures												
18	128		120		126		c/127		c/146		130	
25	124		116		121		c/121		c/138		125	

a/ Prices are of day previous to date of other market prices.

b/ August future.

c/ October future.



### Wheat Prices

Allowing for only average yields in the Southern Hemisphere and a reduction of 250 million bushels in the crop of the Northern Hemisphere, the world's crop would be about 325 million bushels short of last year. Allowing for an increase of 125 million bushels in carryover would leave the world's supply at least 200 million bushels short of last year. On the basis of the analysis of the relation of supply to price presented last month, it would be expected that with normal conditions the average of British parcels prices for the year would be increased about 25 cents per bushel over last season by this reduction in supply.

Questions may arise as to the effects of the reduction in export freight rates in the United States, on the one hand, and the increase in European tariffs, on the other hand, upon world market prices. Undoubtedly both would tend to have some effect upon prices but in opposite directions. The lower export rates in the United States will tend to encourage exports while these rates remain at the lower level, which will tend to raise prices in the United States. Higher duties in France, Italy and Germany, on the other hand, will tend to curtail the imports of those countries and thereby weaken the foreign demand for our wheat. However, it is not believed that these duties will have a very great influence upon the European demand for wheat. With higher wheat prices and possibly larger supplies of other grains, European takings will of course be less than in the past season. With a prospect of considerable reduction in the exportable surplus of the surplus producing countries, it seems likely, however, that the imports of deficit countries will be sufficient to absorb not only the surpluses produced this year, but also some of the increase in carryover.

Prices have moved upward at a rapid rate since the beginning of June. Buying in Europe has become more active and in the past few weeks wheat has been moving from the United States in larger volume than in the corresponding period of last year.

The relation of the different classes of wheat in the United States to domestic requirements will be an important factor in determining the relationship of the prices of each of these wheats to the world price level. The United States always produces a surplus of hard red winter wheat, but the variations in the size of this surplus cause variations in the relation of the price of hard red winter wheat in Kansas City to Liverpool prices. Conditions as of July 1 indicate a crop of nearly 340 million bushels of hard red winter, as compared with about 384 million bushels produced last year. The considerable increase in stocks, however, probably brings the supply of this wheat to about the same level as last year. The price of No. 2 hard red winter at Kansas City in the past year has averaged a little over 112 cents a bushel. Starting the year at a low level and with the heavy carryover, it is possible that a reduction of 200 million bushels in the world's supply would raise the average price of No. 2 hard red winter at Kansas to only about 130 cents per bushel or within five cents of this.



The supply of white wheat seems to be less than last year but large enough to provide a considerable exportable surplus. The price of this wheat is likely, therefore, to be affected to about the same extent as that of hard red winter.

The soft red winter wheat crop, on the other hand, seems to be considerably larger than last year. July 1 conditions indicate a crop of nearly 200 million bushels as compared with 140 millions last year, and 181 millions in 1927. In 1924 the soft red winter wheat crop amounted to about 199 million bushels, and a small part - about 8 million bushels - of this was exported. It is apparent, therefore, that the indicated crop is but little in excess of our domestic requirements. It is possible, however, that high prices of the past year have caused some shift in demand for soft red winter wheat and that the average price for this wheat in the present season will be but little if any higher than that of hard winter wheat. The price of No. 2 soft red winter at St. Louis in the past season has averaged 139 cents per bushel. If present indications are borne out, the price for this class of wheat at St. Louis may be within five cents of the average of the past season.

If the hard red spring wheat crop turns out no larger than indicated by July 1 conditions, the supply of this wheat probably will just about equal usual domestic requirements and the tariff should be effective in protecting this wheat for a good part of the year at least. July 1 conditions indicate a crop of about 156 million bushels compared with 195 millions produced last year. The price of No. 1 dark northern spring at Minneapolis in the past year has averaged about 126 cents per bushel. Under the conditions indicated above, the increase in the average price for the present season over the past should be more than 25 cents, and it may be as much as 30 cents over the average for the past season.

Durum wheat prices have been very low but will be strengthened by the increase in prices of all wheat. Curtailment in the crop of the United States and possibly in Canada will undoubtedly strengthen prices. Larger crops in North Africa and possibly in southern Italy, on the other hand, will curtail the demand for this wheat. July 1 conditions indicate a crop of about the same size as that of 1924 but the North African crops apparently are a little larger than in 1924. It seems, therefore, that the







price of durum wheat is likely to be increased materially but not so much as the price of hard red spring wheat.

The course of prices during the next few weeks will be determined largely by crop forecasts and market activities. Sharp rises are likely to be followed by reactions to lower levels. Heavy marketings in the face of a large carryover in the United States may also be a factor in weakening the market for short periods or retarding the full response to the prospective world supply and demand conditions. The courses of prices through several seasons were shown in charts attached to last month's report. Comparing this season to date with that of 1924-25, it will be noted that the course of prices the first months of the season has been similar to that of the corresponding period of 1924. In that season the rise in prices continued with some interruptions through June and July after which there was some recession. This was followed by a marked rise beginning in September and extending through January. Present conditions suggest that the course of prices through this summer and fall may continue to be somewhat like that of 1924 but an exact repetition is not to be expected. Unless the world crop turns out to be shorter than now indicated the rise is hardly likely to be so great as in the fall of 1924.

WHEAT: Yearly weighted average cash price per bushel of representative wheats at stated markets, 1920-1928

Year	No. 1	No. 2	No. 2	No. 2
beginning	dk. no. spring	amber durum	hard winter	red winter
July	Minneapolis	Minneapolis	Kansas City	St. Louis
	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>
1920.....	201	199	183	213
1921.....	148	119	120	127
1922.....	126	107	113	121
1923.....	124	106	105	107
1924.....	158	156	135	159
1925.....	165	144	163	169
1926.....	151	155	135	138
1927.....	141	132	135	149
1928.....	126	113	112	139



WHEAT: Production and exports by classes, 1920-1928  
Production 1/

Year beginning July	Hard red spring	Durum	Hard red winter	<del>Soft</del> red winter	White	Total
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
1920.....	140	52	302	247	91	835
1921.....	131	57	290	237	99	815
1922.....	170	91	280	248	79	868
1923.....	127	55	241	272	102	797
1924.....	192	66	365	189	52	864
1925.....	156	65	206	170	80	676
1926.....	121	48	360	229	73	831
1927.....	202	83	317	181	95	878
1928.....	195	98	384	140	86	903
1929 (July)...	156	63	339	199	76	834

Exports 2/

1920. <u>3/</u> .....	18	32	163	59	21	293
1921. <u>3/</u> .....	26	26	100	29	28	208
1922. <u>3/</u> .....	14	43	61	23	14	155
1923.....	2	19	27	10	20	79
1924.....	22	34	121	8	11	195
1925.....	5	27	10	3	19	63
1926.....	2	22	73	31	28	156
1927.....	6	31	65	13	30	146

- 1/ Estimates of production by classes are based on surveys made in 1920, 1923, and 1924 of the percentage of different varieties of wheat grown, supplemented by investigations and judgment of cereal specialists. All estimates are the result of applying percentages for each state to the production of each state as estimated by the Division of Crop Estimates save that durum estimates of four states are used directly. As there are changes from year to year in the relative amounts of the varieties of wheat grown and also changes in the relative yields per acre, these figures should be considered to be only rough approximations.
- 2/ Total as reported by the Department of Commerce. Distribution by classes made on basis of United States inspections for export by ports and inspections of United States wheat in the Eastern Division of Canada.
- 3/ Estimates of exports of wheat by classes prior to 1923 are not as accurate as for later years due to the large amounts and composition of mixed wheat.



Reports from foreign countries

Agricultural Commissioner Nyhus cables that the harvesting of the 1929 wheat crop in the Yangtse valley was completed in June and Shanghai millers estimate that the crop was of fair size but materially below last year's good crop. The quality of this year's crop is inferior to last season. The Shanghai millers estimate that they will be able to operate their mills at full capacity with native wheat until January or February but after that time they will be on the market for foreign wheat. Communications are so primitive and costly that famine conditions in North China have practically no influence on the Shanghai supply situation. Millers are watching American and Canadian prices but at the present foreign quotations are too high to warrant placing contracts for December or later delivery. Native wheat was quoted at \$1.07 per bushel on July 11, whereas American western red No. 2 for September delivery was quoted at \$1.29 per bushel. The purchase of comparatively large quantities of foreign wheat provided a profitable undertaking for local mills and they are again prepared to buy heavily if price developments are favorable and if silver is of low value. The present rate of exchange is unfavorable, however, and if it continues so it may seriously affect the wheat trade. Last season Canadian No. 4 proved to be of sufficiently high quality when mixed with American, Australian or local wheat but the results with Canadian No. 5 were unsatisfactory. Quotations on local flour have risen from \$1.17 per bag of 49 pounds on May 30 to \$1.29 per bag for July delivery.

Japan

The quotations for imported wheat at Japanese mills advanced 9 to 21 cents per bushel from June 1 to July 1, according to a cable to the Foreign Service of the Bureau of Agricultural Economics from Consul Kemper at Tokyo. The price of United States western white wheat advanced from \$1.47 per bushel on June 1 to \$1.60 on July 1, Canadian No. 5 advanced from \$1.34 to \$1.55 per bushel, and Australian from \$1.53 to \$1.62 per bushel during the same period. The wholesale price of flour also showed an increase, being quoted at \$1.55 on July 1 against \$1.53 on June 1. The imports of wheat into Japan during May were 3,422,000 bushels against 3,574,000 bushels during May 1928. Imports for the season beginning July 1, 1928, however, are well in advance of those during the same period of the 1927-28 season, being reported at 27,043,000 bushels against 19,238,000 bushels in 1927-28. Imports during May included 304,000 bushels from United States, 1,896,000 bushels from Canada, 1,058,000 bushels from Australia, and 164,000 bushels from other countries.





The continental European wheat situation, June, 1929 1/

Continental European wheat markets were less active in June than in May but at the end of the month were very active, though most of the month spot and near at hand wheat continued to be given preference by buyers with apparent lack of confidence as to an upward movement of prices. Following the price declines toward the end of May, the June price tendency in import and domestic markets generally was upward, excepting for slight declines around the middle of the month. In France the fluctuations in price and volume of business were less pronounced and less in sympathy with world developments.

Flour sales were good at the beginning of June, weakened later and became active again around the 23rd. Flour business in Central Europe throughout the month, however, left much to be desired but stocks in the mills were also low there. Wheat stocks in Germany are comparatively low, with farm stacks of wheat nearly exhausted, and trade stocks below a month and a year ago. France, however, still appears to have important wheat stocks on the farms as well as in trade channels, the latter probably a result of heavy importation prior to the introduction of the new duty rates. Important stocks may also exist in the upper Danube Basin, while wheat stocks in Poland are small. Rye stocks in both Germany and Poland are comparatively high which is also shown in the price relationship between rye and wheat, particularly in Poland.

Farm offerings of wheat were comparatively small during June in Germany, where remaining farm stocks available for sale are low. Farm offerings in France increased. They were also important in the Danubian surplus regions. The price spread between wheat and rye continued to increase in Central Europe where farm supplies of rye are still rather large.

The feed grains market, which is interrelated with the market for bread grains, continued quiet through June, though there was temporarily some import demand for oats and barley. Corn remained absolutely neglected; only spot and very near positions found buyers to any marked extent. Prices showed some recovery in the first half of June, but declined later on. Argentina corn shipments were reduced owing to the insufficient European demand. Reports on favorable crop conditions, particularly of corn in South-Eastern Europe, where the corn acreage was considerably increased, and rather favorable conditions for pasturing of livestock and for green feed generally were important factors in the price-making for feed grains and the volume of sales. The increased use of bread grains for feeding purposes is still mentioned by the trade to explain unsatisfactory business conditions in feed grains. The smaller number of hogs this year was also a factor in the weak market for feed grains.

Information as to growing crops on the Continent indicates that the condition of the crop generally is now quite good; but winter-kill may reduce the total European crop. Central Europe still reports about usual winter-kill, though larger than last year. However, considerable damage was

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1/ By Acting Agricultural Commissioner, Owen L. Dawson, Berlin, Germany, June 27, 1929. Supplemented by cable of July 6.



experienced in Rumania, Bulgaria and Hungary, in Western Europe including Northern France, Belgium, the Netherlands, and the North-Western part of Germany, and in the Baltic States. This was largely covered in our last report. More definite information now available and personal observation indicate that the Continental European wheat crop probably will be materially below last year. This forecast is based upon the assumption that

- (a) The French wheat crop will be medium and below last year, but still near average or slightly above because of extensive winter kill in important areas, and early unfavorable growing weather.
- (b) Germany will probably also have a smaller wheat crop, or at the most no greater than last year, which was the largest crop on record in post-war years.
- (c) Italy will have a medium crop only according to general trade opinion or probably somewhat below last year's good crop.
- (d) The wheat crop in the Netherlands and in Belgium will be materially below last year because of extremely heavy winter-kill, which in the case of the Netherlands, is now reported to be about 30 per cent.
- (e) Hungary's wheat crop will be materially below last year, owing to extensive winter-kill in the North and East, as the official report and personal observation prior to the issuance of the official forecasts indicated.
- (f) Rumania will have a wheat crop of at least 20 to 25 per cent below last year due to heavy winter kill in important eastern sections according to personal investigations.
- (g) Yugoslavia and Bulgaria will probably also produce wheat crops below last year's production.
- (h) Spain will have a wheat crop above last year's light crop.
- (i) Other countries taken as a whole will not show material change.

This opinion assumes average weather conditions from now to the harvest, and very favorable weather could raise the crop from present indications materially below last year to a point more nearly approaching last year, but still probably falling short of the general good 1928 harvest returns.

The rye situation is different, and as winter-kill was not large, the combined German-Polish rye crop may turn out as good or even better than last year. The outlook for the less important rye countries is also comparatively good.





The winter-killed wheat area was to a very large extent seeded to spring crops, in South-Eastern Europe particularly to corn, but these spring crops are consequently late.

With indications now becoming more clear as to the outlook for the crop, there is still little basis for the judgment of what the market situation will be. The extent of the prospective changes in wheat and rye production on a large part of the Continent is still uncertain because much of the crop is now in the critical stage of development. Second, changes in wheat production in Rumania do not mean to the full extent changes in the volume of foreign trade, because the 1928-29 surplus was small despite a good crop, and this year they may try to get along on their own supplies particularly if the corn crop is good, as now seems probable. Third, the quality of the wheat and rye crops can not as yet be forecast, but it will be an important market factor as well as the quantity of the crops. Fourth, the outturn of the corn crop in South-Eastern Europe will influence the quantities of wheat they will supply to, or need from, the world market, thus making calculations exclusively on basis of changes in the wheat crop impossible. Fifth, considerable carryovers of wheat in Hungary and Yugoslavia will make reduced crops there weigh less heavily in the Continental supply and demand situation.

Net imports in March were generally considerably higher than in February, largely owing to the re-opening of normal transportation conditions. This is also true of April, which, however, did not show import figures as much above March as previously expected. The April increase over March was also rather general and only few countries were below. The few available May figures show a considerable decline of imports compared with April in the case of Germany and Switzerland, and a 10 per cent increase over the already high April figures in the case of Italy.

#### Germany

Wheat prices in Germany during June were to a greater extent dependent on world market developments than in the preceding month. The second half of May was characterized by a sharp decline of wheat prices, and the decline in domestic wheat prices was somewhat larger than in America. From the beginning of June to about June 10 wheat prices increased again in sympathy with the world market. After June 10 prices weakened slightly, but recently again became firm. The fact that the German government planned to raise the duties strengthened the wheat and flour market in the latter part of the month. Rye prices declined markedly toward the end of May owing to the fact that farm stocks were still large and that Poland exported considerable quantities. Since the beginning of June rye prices have again increased. The price-spread between rye and wheat has continued to increase being about 26 cents per bushel in Berlin on June 19 as compared with about 22 cents May 15 and only 10 cents at the beginning of January. There are still large stocks of rye on German farms whereas farm stocks of wheat are small. Wheat stocks in the hands of the trade and the flour mills are comparatively small. Transactions of wheat, rye and flour during the period under review were doubtless smaller than in the preceding period. The market was generally quiet, except for the period June 1 to June 10 and the last few days, when grain business was rather brisk and flour sales active.

The following table shows the development of domestic grain prices:





## GERMANY: Price per bushel of domestic wheat and rye, 1929

Date of quotation	Wheat			Rye
	Hamburg <sup>a/</sup>	Breslau <sup>b/</sup>	Berlin <sup>c/</sup>	Berlin <sup>d/</sup>
	Cents	Cents	Cents	Cents
May 8.....	151	144	144	122
May 15.....	150	143	144	122
May 22.....	150	142	141	118
May 29.....	146	132	133	108
June 5.....	147	137	138	113
June 12.....	148	137	136	113
June 19.....	148	137	140	114
June 26.....	152	141	143	116
July 3.....	164			132

a/ Wheat of any German district of at least 58.7 pounds per bushel.

b/ Wheat of any German district in carloads of 370 bushels of at least 58.7 pounds per bushel.

c/ "Markischer" wheat of at least 58.7 pounds per bushel.

d/ " rye " " " 55 pounds per bushel.

Imports of wheat in May fell to 7,346,000 bushels, whereas they were 10,549,000 bushels in April, 1929, and 6,884,000 bushels in May, 1928. May imports were small considering the fact that farm stocks and trade stocks were small, and show the reluctant attitude of grain importers during the period. Exports of wheat during April (May figures are not yet available) were higher than in February and March. From figures on arrivals in the port of Hamburg and at the Dutch frontier stations it appears that June imports of wheat will probably be larger than May imports. Rye imports in May were small although somewhat above April. Exports of rye in April were larger than in any other month of the crop year, excepting October, 1928.

As deliveries of domestic wheat and wheat imports were comparatively small we may assume that stocks with the trade, flour mills and bakers have declined during the period under review. This opinion is confirmed by the statistics of visible stocks in Berlin which declined from 927,000 bushels on April 30 to 844,000 bushels on May 31. The corresponding stocks on May 31, 1928, were 1,142,000 bushels. The apparent disappearance of wheat in Berlin during May as shown by the changes in visible stocks, was about as large as last year, but much smaller than in April, 1929.



Germany increases tariff rates

The German Reichstag has enacted legislation increasing the import duties on wheat, wheat flour, rye, oats, butter, and potatoes, according to a cablegram received from C. L. Dawson, Acting Agricultural Commissioner at Berlin. The new rates become effective July 10. The increases in the rates on the above-named products, so far made available, are as follows: On imports from the United States and other countries enjoying most-favored-nation treatment; wheat, from 32.41 to 42.14 cents per bushel; rye, from 30.25 to 36.20 cents per bushel; oats, from 17.29 to 20.74 cents per bushel. On imports from Canada, Australia, and other countries that do not enjoy most-favored-nation treatment the increases are as follows: Wheat, from 32.41 to 48.62 cents per bushel; rye, from 30.25 to 42.35 cents per bushel; and oats, from 17.29 to 24.20 cents per bushel. The new legislation also provides that German flour mills will be required to grind not less than 30 per cent of home grown wheat during the year. A more complete statement of the new legislation and of the rates on wheat flour, butter, and potatoes will be published upon receipt of further details from Berlin.

France

French wheat import markets became less active toward the end of May when the tariff increase came into effect. Prices have improved as compared with the world market, as a consequence of the tariff increase, but not to the full extent of the raise in duty rates. French wheat prices have been below the import parity since the end of May. Offers of domestic wheat have increased and it appears now that farm stocks of wheat are still rather large. Under the influence of rather favorable developments in French crop prospects farmers tried to reduce their holdings. The trade and the flour mills, however, were reluctant and bought only for current needs. Flour business left much to be desired. Developments on the world market were also reflected in France, but the increase of prices which took place in June was somewhat less pronounced than elsewhere.

Italy

As already reported, the Italian Government increased the grain import duty from 11 to 14 gold lire per 100 kg, (57.78 cents to 73.54 cents per bushel) and the flour duty in proportion, effective May 23. The last previous raise of the wheat duty took place on September 12, 1928, when it was increased from 46.74 to 57.78 cents. The Italian import market quieted considerably following the last increase of tariff rates with only small quantities being turned over. The market for domestic grain was also quiet and prices showed no material increase in June despite the firmness of the world market. Wheat imports in May amounted to 9,516,000 bushels, compared with 8,478,000 bushels in April, and 13,823,000 bushels in May last year.

Harvesting of wheat is in full swing in southern Italy and has already started in central Italy. Weather in June was generally favorable for the maturing of the grain; some local damage may have been done by thunderstorms. The wheat crop in the southern sections is thought to be slightly above average and in the northern sections prospects are on the whole fairly favorable. The Italian wheat crop as a whole is generally expected to be below last year or about medium.



Netherlands and Belgium

Wheat markets in the Netherlands and in Belgium moved in sympathy with the world market. During the first ten days of June the market was firm and active. After temporary quietness and dullness the market became again firm and more active recently. Trade reports indicate that recently Germany proved to be an active buyer in Antwerp and that the demand from Belgian flour mills was fairly active.

Danube Basin

During the first ten days of June, in the deficit countries Czechoslovakia and Austria, wheat prices strengthened to some extent under the influence of world market developments, but firmness was not so pronounced as in other countries and a weak undertone was evident.

Farm deliveries - especially in Czechoslovakia - have been comparatively large under the influence of favorable crop reports but the flour mills were reluctant and bought only small quantities.

In Hungary the market was rather active and firm at the beginning of June, but weakened later on. It appears that Hungarian farmers still have important stocks to dispose of. Reports from Yugoslavia indicate that unsold stocks are large and that some quantities will probably have to be carried over to the new campaign. Despite some sales of wheat and barley at the beginning of June, the Rumanian grain market was generally quiet for the month as a whole. The Rumanian wheat import duty was raised from 16.33 cents per bushel to 43.55 cents per bushel. This measure will prevent the importation of wheat which took place this year at times when the domestic price level was above import parity for Hungarian and Yugoslavian wheat. It will be especially important for the next campaign, in view of the probable shortness of the crop.

The Rumanian wheat crop will be materially below last year owing to reduced acreage of wheat as a consequence of heavy winter-kill. The unfavorable influence of early drought was partly offset by rainfall in June. Present conditions appear to indicate a crop at least 20 to 25 per cent below last year. The corn acreage in Rumania, and probably also in Hungary and Yugoslavia, has increased and conditions are better than last year. In Rumania corn will be of much greater importance as human food than during the last two years, and present prospects are for a crop considerably above the poor crop of last year.

The official Hungarian crop report of July indicates that this year's wheat crop will turn out much smaller than last year. The 1929 wheat crop is estimated at 70,547,000 bushels compared with a final estimate of 99,211,000 bushels in 1928. The crop outlook is relatively favorable in the valley of the Danube and west of the Danube where the crop is estimated to be only 14 per cent smaller than last year. In the northern and northeastern sections and in the southeast the reduction amounts to about 47 per cent.







The decrease in the 1929 crop in comparison with 1928 is partly a consequence of a reduced acreage. The Hungarian wheat acreage in 1928 was 4,144,000 acres and is only 3,571,000 acres this year, the decrease amounting to about 15 per cent. Yields per acre are also estimated considerably below last year, being 18 bushels in 1929 and 24 bushels in 1928. The decrease amounts to 25 per cent. June weather has been favorable for the crops and so the reduction may not now be as great as early June conditions indicated.

### Poland

Wheat and rye prices in Poland declined considerably during the second half of May, with the weakness in the rye market more pronounced than in the wheat market. In June a slight recovery of both wheat and rye prices took place. It has become apparent in recent months that there are still large quantities of rye to dispose of. As a result, rye prices showed a greater decrease than wheat prices. The Government, which prevented the export of rye during the first half of the season by an export duty allowed considerable quantities of rye free for export and at the beginning of June, abolished finally the rye export duty. Newspaper reports indicate that the government experienced great losses on rye which was bought at the beginning of the campaign at relatively high prices and recently had to be sold. Wheat stocks in Poland are comparatively small and some quantities will still have to be imported before the new crop is available.

### Soviet Russia

Grain procurements in R.S.F.S.R. (Russia proper) since the beginning of the campaign to March 31 amounted to 7,730,000 short tons, according to a recent official report. Rye procurements were placed at 925,000 short tons or 54 per cent below the same period last year, and wheat procurements amounted to 4,285,000 short tons or 41 per cent above the same period of the preceding year. It should be noted that this is not a complete report for the Soviet Union and that such important region as Ukraine is not included.

An upward tendency in grain procurements was reported at the end of May and the first 10 days of June which the Russian newspapers attributed both to the application of methods of public pressure and to favorable crop outlook. However, data are again lacking for the rest of the month under survey, so that it is not possible to form any opinion as to actual results of procurements for the month as a whole. Although procurements showed considerable increases in different regions during the first days of June and toward the end of May, the absolute May level must have been relatively low, as the May procuring plan was not executed in several regions (Middle Volga, Ural, Central Fertile, Ukraine, etc.). The outlook for the development of the procuring campaign during the summer months 1929 is uncertain



and depends greatly upon the crop conditions, but seasonal field work will prove a hampering factor. Recent rumors indicated that Russia has again entered the market and purchased 1,300,000 bushels of Canadian grain through Japanese firms. Negotiations are reported to be carried on for further purchases. However, it should be noted that these are only very vague rumors and that no definite information is available. If Russian purchases of grain should prove true, it might serve as indication that the outlook for the new domestic crop is not particularly bright.

It appears that the total bread grain crop for Russia, particularly wheat, will not be very satisfactory this year. From present indications it is more apt to be below average than above.

The 1928-29 area under all spring and winter crops together was reported to have increased by 3 per cent for the Union as a whole, based on preliminary information received by the State Planning Board from five important regions a/, compared with the 7 per cent increase provided for by the Government stipulation. The area under spring wheat increased 5.9 per cent, while detailed information on the fluctuations of other crops are not mentioned. Winter sown area for the total Union is stated to be 4.9 per cent below the previous year.

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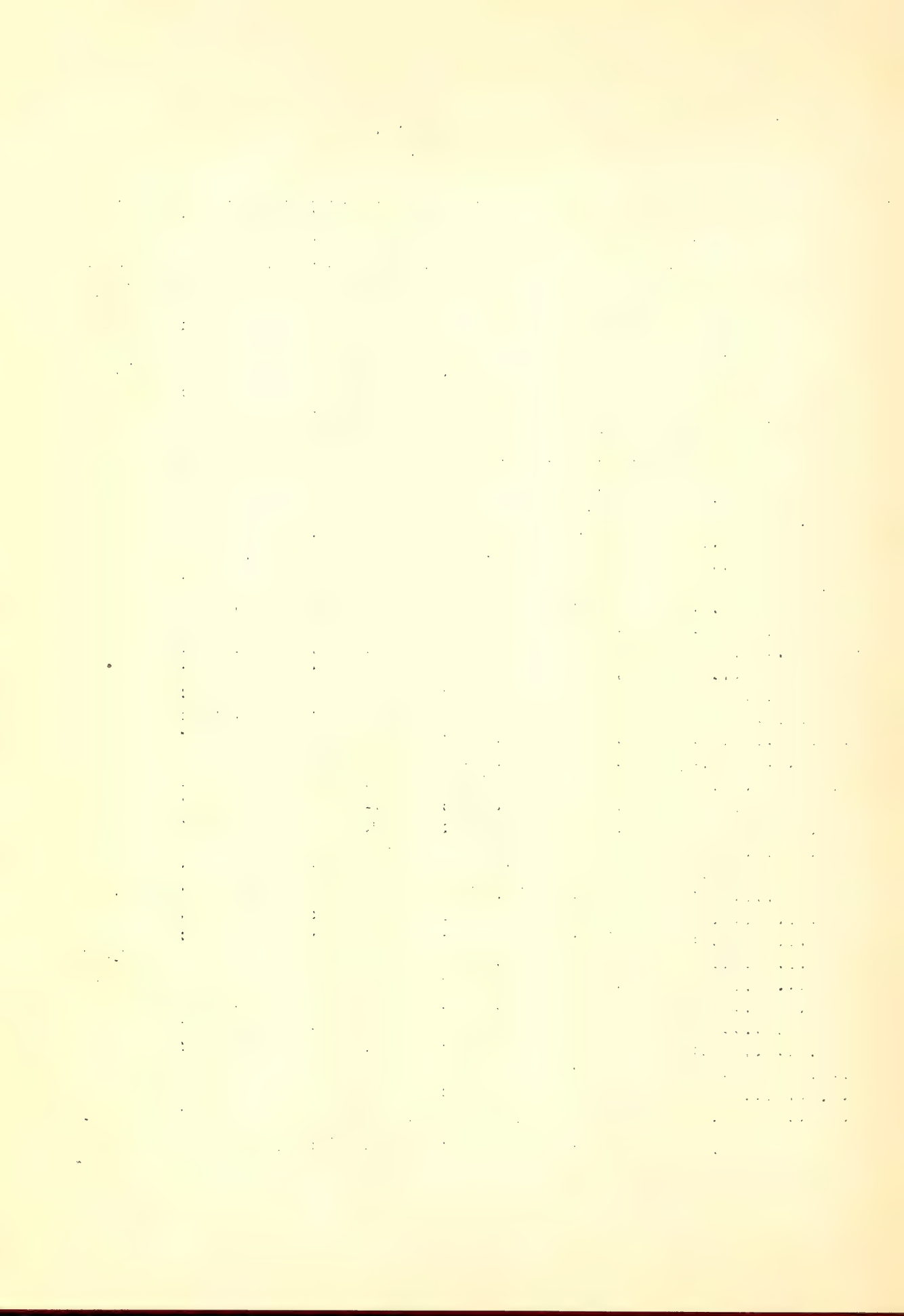
a/ North Caucasus, Ukraine, Lower Volga, Central Fertile and Crimea. The acreage under spring grains in these regions alone increased by 1.8 per cent compared with last year, but the acreage of both winter and spring together increased by only 1.3 per cent.



WHEAT: Production in principal countries, average, 1909-1913,  
annual 1926-1929

Country	Average 1909-1913	1926	1927	1928	1929
NORTH AMERICA	1,000 <u>bushels</u>	1,000 <u>bushels</u>	1,000 <u>bushels</u>	1,000 <u>bushels</u>	1,000 <u>bushels</u>
Canada.....	197,119	407,136	479,665	533,572	
United States (Winter:)	690,108	627,433	552,747	578,133	582,492
(Spring:)		203,607	325,627	324,058	251,377
Mexico.....a/	11,481	10,353	11,890	11,031	11,492
Total North America:	898,708	1,248,509	1,369,929	1,446,794	
EUROPE					
England and Wales....	55,770	48,683	53,125	47,264	
Scotland.....	2,273	2,091	2,427	2,315	
Northern Ireland....	287	226	212	183	
Irish Free State....	1,310	1,155	1,421	1,186	
Norway.....	306	586	605	676	
Sweden.....	8,103	12,153	16,151	19,469	
Denmark.....	6,322	8,767	9,408	12,214	
Netherlands.....	4,976	5,487	6,157	7,336	
Belgium.....	15,199	12,821	16,277	17,986	
Luxemburg.....	615	622	702	799	
France.....	325,644	231,767	276,128	277,657	
Spain.....	130,446	146,599	144,825	122,640	
Portugal.....b/	11,850	8,560	11,447	6,578	
Italy.....	184,393	220,644	195,809	228,596	
Switzerland.....	3,314	4,244	4,119	4,270	
Germany.....	131,274	95,429	120,522	141,593	
Austria.....	12,813	9,438	11,960	12,860	
Czechoslovakia.....	37,879	34,130	40,385	51,499	
Hungary.....	71,493	74,909	76,933	99,211	70,547
Yugoslavia.....	62,024	71,427	56,568	103,294	
Greece.....b/	16,273	12,403	12,970	15,676	
Bulgaria.....	37,823	36,544	42,121	50,691	37,441
Rumania.....a/	158,672	110,883	96,734	115,544	94,835
Poland.....	63,675	47,080	54,230	59,219	
Lithuania.....	3,264	4,180	5,273	6,327	
Latvia.....	1,475	1,860	2,636	2,499	
Estonia.....	364	844	1,079	1,037	
Finland.....	137	924	1,064	879	
Malta.....	196	310	294	289	
Total Europe....	1,348,170	1,204,746	1,261,582	1,409,787	

Continued-





WHEAT: Production in principal countries, average, 1909-1913,  
annual 1926-1929 - Continued

Country	Average 1909-1913	1926	1927	1928	1929
	1,000	1,000	1,000	1,000	1,000
AFRICA	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>
Morocco .....	(17,000)	16,174:	24,618:	24,746:	28,623
Algeria .....	35,161:	23,551:	28,323:	30,302:	31,783
Tunis .....	5,224:	13,044:	8,267:	12,125:	
Egypt .....	33,662:	37,207:	44,347:	37,296:	
Cyrenaica .....	(500)	161:	36:	32:	
Tripolitania .....	(100)	176:	173:	18:	
Total Africa .....	92,647:	90,313:	105,764:	104,519:	
ASIA					
Syria, Lebanon and Alaouite .....	(4,000)	13,940:	14,582:	6,490:	
India .....	351,841:	324,651:	334,992:	288,811:	313,973
Japan .....	25,088:	30,188:	31,018:	32,706:	c/ 28,316
Chosen .....	6,898:	10,517:	9,043:	8,595:	9,965
Total Asia .....	387,827:	379,296:	389,635:	336,602:	
Total Northern Hemisphere:	2,727,352:	2,922,864:	3,126,910:	3,297,702:	
Est. Northern Hemisphere :	:	:	:	:	
excl. Russia and China :	2,759,000:	2,979,000:	3,193,000:	3,329,000:	
SOUTHERN HEMISPHERE					
Uruguay .....	a/ 6,517:	10,238:	15,397:	14,572:	
Argentina .....	147,059:	220,827:	d/275,000:	d/275,000:	
Union of South Africa .....	b/ 6,034:	8,043:	6,644:	6,930:	
Australia .....	90,497:	160,762:	116,737:	159,000:	
New Zealand .....	6,925:	7,952:	9,541:	8,400:	
Total Southern Hemisphere:	257,052:	407,822:	423,319:	464,002:	
Total above countries ...:	2,984,384:	3,330,686:	3,550,229:	3,761,704:	
Estimated world total :	:	:	:	:	
excl. Russia and China :	3,041,000:	3,420,000:	3,653,000:	3,829,000:	
Russia .....	758,941:	819,744:	745,885:	859,789:	

Official sources.

a/ Four year average.

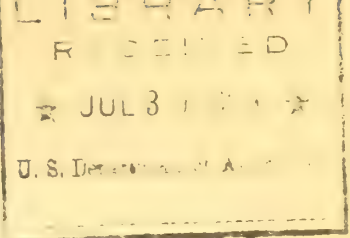
b/ One year average.

c/ Production is 39 out of the 42 prefectures or about 97 per cent  
of the total crop.

d/ Unofficial.



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UNITED STATES DEPARTMENT OF AGRICULTURE  
Bureau of Agricultural Economics  
Washington



July 23, 1929

F.S.  
WH-336

FOREIGN NEWS ON WHEAT  
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THE AUSTRIAN MARKET FOR UNITED STATES WHEAT AND FLOUR

The Austrian market for United States wheat and flour is being restricted somewhat by increased production within the country and increased import duties, according to a report received in the Foreign Service of the Bureau of Agricultural Economics from Vice Consul C. W. Perkins at Vienna. Austria imports about 16,000,000 bushels of wheat and flour annually, of which about a tenth has been coming from the United States. In the year just closing the high quality of the Austrian wheat was unusually discouraging to the importation of hard wheat. The increase in wheat production so far has been sufficient to practically offset the additional demand resulting from a larger population, but it has not been sufficient to reduce imports materially and no important reductions in total imports are anticipated for the immediate future.

Two important factors hindering overseas purchases of flour are the recent increased import duties, and the competitive advantages enjoyed by Hungarian mills. The latter country is the chief source of Austrian wheat and flour imports. There is no definite indication as yet, however, as to the effectiveness of the new duties in combination with Hungarian competition on the demand for American wheat and flour, although there appears to be some tendency to import more wheat and less flour. It is apparent that the Austrian market absorbs a relatively small portion of the total United States wheat and flour exports. Conditions in that market, however, are important indications of the degree of competition the American products may meet from Danubian wheat in other European markets.

Austrian domestic production

Wheat production in Austria since the war has increased from 5,159,000 bushels in 1918 to 12,860,000 in 1928, and is now about equal to the amount produced before the war in the same territory. Part of the increase is due to larger areas devoted to wheat, but more of it has been the result of better cultural methods and increased yields. The yield per acre in 1928 reached 25.5 bushels. This high return was due partly to favorable weather. The average yield of 22.5 bushels for the four years 1925 - 1928, however, is also high, compared with an average of 14.7 bushels in the period 1918 - 1921, and 20.2 in the five-year period just preceding the war.



The Austrian government instituted a program of agricultural development at the close of the war to help reduce the foreign trade deficit, and these efforts are believed to have played an important part in increasing the size of the wheat crop, according to the Vice Consul. Credits were granted to farmers to enable them to buy the best quality and most suitable seed, and expansion in the wheat area was furthered by financing the improvement of waste land suitable for the crop. As a result of the government aid and the efforts of the individual farmers, wheat production not only kept pace with the increases in population, but increased from 27 per cent of the total amount required for domestic consumption in 1920 to 46 per cent in 1927. During that time there was some increase in per capita consumption.

The success of the government's policy is expected to lead to a progressive increase in funds allotted for the continuation of the plan to extend the area. The government program calls for a total increase in wheat area of 346,000 acres, of which so far about 105,000 has been accomplished. The total acreage in 1928 stood at 505,000 acres. Their hope is to make the country independent of foreign imports. There is considerable doubt of this aim being accomplished in its entirety, according to the grain trade of the country. Even if it were possible to provide enough wheat for domestic consumption, the quality is below that of imported Hungarian and American grain, due largely to climatic and soil conditions which cannot be changed, and foreign wheat would be required for mixing.

The high quality of the 1928 domestic crop as well as the high yield reduced slightly the amount of imports required for blending purposes in that year. Total imports of wheat and flour up to the present time have been well maintained and even slightly increased in the face of the increasing production. The average imports for the four crop years 1924 - 1927 amounted to 16,104,000 bushels annually, compared with 15,904,000 bushels in the period 1920 - 1923. There has been an increase in per capita disappearance for all purposes other than seed from an average of 3.3 bushels annually in the four-year period, 1920 - 1923, to 3.7 bushels in the period, 1924 - 1927. With a normal rate of increase in population and a maintenance or improvement in the per capita requirement, there is little probability of a decrease in the average annual import requirement in the near future, although no increase is to be expected.





AUSTRIA: Acreage, yield per acre, production,  
trade and consumption of wheat, 1918 - 1928

Crop year:	Acreage:	Yield per acre:	Production bushels:	Seed requirements $\frac{a}{b}$ :	Trade in wheat, including flour as wheat, year beginning July 1:		Domestic disappearance per capita for food, feed, carryover:	
					Imports:	Exports:	Domestic consumption and carryover:	Domestic disappearance per capita for food, feed, carryover:
	1,000 acres	Bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	Bushels
Average :								
1909-13:								
Pre-war boundaries ...	3,011	20.2	60,841	-	11,402	871	71,572	c/(2.5)
Est. for present boundaries ...	635	20.2	12,813	-	-	-	-	-
1918.....	400	12.9	5,159	1,050	-	-	-	-
1919.....	371	13.6	5,114	1,050	-	-	-	-
1920.....	371	14.6	5,434	1,070	d/14,348	d/	18,706	2.0
1921.....	378	17.3	6,530	1,302	d/11,739	d/70	23,897	1.5
1922.....	460	16.2	7,422	1,341	d/13,926	d/150	18,914	2.0
1923.....	475	18.7	8,829	1,374	17,544	-	25,069	1.6
1924.....	482	17.6	8,490	1,370	16,436	254	23,272	1.6
1925.....	484	22.0	10,671	1,415	11,822	171	23,987	1.6
1926.....	500	18.9	9,458	1,429	12,883	89	24,808	1.6
1927.....	505	23.7	11,960	1,453	16,250	145	34,596	4.0
1928.....	505	25.5	12,860	(1,433)	d/12,475		(27,335)	

Foreign Service of Bureau of Agricultural Economics. Compiled from original official sources and International Institute of Agriculture.

a/ Assuming 2.83 bushels to the acre as reported by the International Institute of Agriculture.

b/ No account taken of stocks at beginning and end of year.

c/ Consumption per capita in the industrial region included within present boundaries of Austria was doubtless greater than this amount for all pre-war Austria.

d/ Year beginning August 1.

e/ Net imports estimated on the basis of figures for 8 months, assuming those for the remaining four months to be equal to those for the corresponding period the previous year. Net imports August to March 1928-29 as reported by the International Institute of Agriculture were 9,358,000 bushels compared with 10,945,000 bushels for that period the preceding year.



Increased import duty on flour

In July 1928 the Austrian import duty on wheat flour was increased from about 1.70 to 5.00 gold crowns per 100 kilograms, equivalent to an increase of from about 30 to 90 cents a barrel in United States currency. It was brought about by two treaties. The increase included in the Austro-Hungarian treaty was made at the request of the domestic milling industry as an aid in their competition with Hungarian mills. This treaty can be abrogated on three months notice. The flour duty is also partially determined by the Austro-Yugoslav trade treaty which is to remain in force at least until June 30, 1931, and which thereafter can also be abrogated on three months notice.

There has been recent agitation to further increase the import duty on flour from 5 to 8 gold crowns per kilogram, equivalent to from \$.90 to \$1.40 a barrel. Prolonged negotiations with both countries would be necessary to change the present tariff. For this and other reasons it is held as unlikely that the rates will be changed in the near future, although there may be grounds for the belief that the rates may eventually be increased, according to opinions of the Austrian grain trade. There appears to have been some tendency as a result of the tariff increase to import wheat instead of flour. Net flour imports for the 8 months August 1928 through March 1929 were 30 per cent below those for the corresponding period the previous year, while net wheat imports increased 3 per cent.

Competition with Hungarian exporters

Hungary has been a successful competitor with North America in the Austrian wheat and flour market, especially during the past year. Hungary has supplied about half to two-thirds of the wheat deficit and about half of the flour since 1925. In the first 9 months of 1928, when total Austrian flour imports decreased 13 per cent from imports of the corresponding period in 1927, and imports from the United States and Canada remained stationary, those from Hungary increased 30 per cent. Part of the increase came before the new tariff went into effect and is not an indication of the effect of recent legislation.

An important factor in the recent success of Hungary appears to be a system of export premiums which it is asserted that the Hungarian government is granting to mills on shipments of flour to Austria to offset the effect of the import duty. The Hungarian government has never officially admitted or denied the existence of these premiums and Austrian millers and importers have been unable to discover the exact amount of the bounty. On the basis of Hungarian flour prices shortly before and after the new tariff was put into effect they believe that the bounty amounts to between 30 and 50 cents a barrel, which would offset a considerable part of the increase in duty. Other factors in Hungary's success include reduced rates of flour shipments from Hungarian mills made by way of the Danube, preferential warehouse privileges granted by the



Hungarian shipping company; direct business connections in Austria; cheaper transportation; more liberal terms, and the fact that the Hungarian product can be used to some extent for blending.

Practically all shipments of Hungarian flour to Austria are made on the Danube. The government subsidizes the Hungarian Danube shipping company, which in turn grants reduced rates for flour shipments to Austria as well as for grain shipments to Hungarian mills. Austrian importers of Hungarian flour are accorded the privilege of free storage in the Austrian warehouses of the Hungarian shipping company during a period of eight weeks, the flour stored being insured at the expense of the shipping company, while importers of American flour are allowed free storage for only four weeks, and must carry the expense of the insurance themselves. Moreover, the Hungarian shipping company charges only \$1.97 per car, equivalent to about 1.7 cents a barrel for unloading and loading from barge to railway while importers of American flour must pay more than twice as much for the handling of the same quantity. Some Austrian importers have stated their belief that Hungary would redouble its efforts to support exports to Austria in the event of a further increase in the Austrian import duty.

The indirect method in practice in buying North American flour and lack of credit form a special handicap to sales, in view of the efforts made by Hungary, and the rail haul in Europe in addition to the ocean and North American rail transportation on American flour operate further to restrict sales. Most of the American flour sold in Austria is bought from European representatives of American mills or exporters in Hamburg or Amsterdam. The distribution of certain brands is even more complicated, as Austrian orders must be placed with firms in Prague, which are the sub-agents of the European representatives in Amsterdam. The Austrian importer is thus forced to buy from the third and sometimes fourth hand. In most cases he is not in direct connection with the bakers, but sells to dealers. This complicated method of distribution reacts unfavorably not only on prices but on the trade as a whole. However, the efforts of Austrian importers to establish direct business connections have so far shown no success, partly on account of the failure of American mills to grant satisfactory terms of payment, but probably also because American mills do not believe the Austrian market to be important enough to justify the establishment of individual representations for this territory.

Terms of payment offered by American mills to an Austrian importer have been cash against documents at the port of shipment (New York). European representatives in Hamburg or Amsterdam on the other hand usually grant cash against documents in Vienna, and to firms of first class reputation, even payment 30 days after arrival in Vienna. European representatives also sell against three months' drafts accepted by their Hamburg or Amsterdam bank for the account of one of the large Vienna banks.





Imports of American flour are usually shipped to Hamburg, from there by rail to Regensburg (Bavaria) and then by ship down the Danube to Vienna or Linz. Occasionally imports are made also through the port of Trieste and from there by railway to Vienna. Hungarian and Rumanian flour, on the other hand, is shipped almost exclusively by the Danube River route. Freight charges on imports of Hungarian flour are of course far below those charged for shipments of American flour from Hamburg to Vienna, as railway freight is far more expensive than ship freight on the Danube.

#### Demand for American wheat and flour

There has been a demand for certain amounts of North American wheat and flour in spite of the unfavorable marketing conditions. In the period January 1926 to September 1928 the United States supplied regularly about a tenth of the total Austrian wheat and flour imports, of which about two-thirds were sent as grain. Flour imports from America have usually been from hard spring wheat with small additional quantities of durum flour. The American hard wheat has the advantage over Hungarian and Austrian products in having a higher gluten content and less moisture. The greater absorption of the American flour encourages the demand by allowing the bakers to produce more rolls to the unit of flour. This demand was increased by a law prohibiting commercial baking during the night, i.e. earlier than 5 a.m. which forced the bakers to use quick-rising flour. By increasing the amount of American flour used they were able to reduce the length of the process by half an hour.

The American product is usually used for blending with the domestic product to make the finer grades of flour. The flour is used partly by the Austrian millers to mix with flour from domestic wheat and partly by the bakers. The bakers usually take a mixture of from 80 to 90 per cent Hungarian and Austrian flour with 20 to 10 per cent of American. These mixtures are used almost exclusively for baking rolls and cakes, and small amounts of fine, white loaf bread. Practically no American flour is used in the common darker bread which is the usual type consumed in Austria. The retail sales of the finer grades of flour are said to vary inversely with the number of unemployed. They show a drop during the fall and winter months when unemployment increases sharply and begin to pick up in March or April when unemployment starts its seasonal decline. Consumption of the finer grades is reported as showing a downward trend in 1928, due chiefly to the rising cost of living.



American flour in recent years has usually sold at a premium equivalent to 50 to 60 cents a barrel over the Hungarian at Vienna, although it fluctuates frequently and has been known to sell lower than the Hungarian. Importers stated that up to the time the new tariff went into effect a premium equivalent to 60 cents a barrel was about the highest at which American flour could be sold on the Austrian market. The second half of 1928 the Hungarian flour went down to 75 cents to \$1.25 below American. In many cases this difference was reported as too large to permit the Austrian baker to use American flour profitably.

Import figures do not show clearly the effect the increased tariff in connection with the Hungarian competition has had on Austrian imports of United States wheat and flour since July 1, 1928. The unusually large size of the Austrian 1928 crop has cut down the requirements for foreign grain generally, and the high quality has minimized slightly the need of hard wheat for blending. Canada had a large crop of hard wheat last year and has competed successfully with the United States in supplying European needs. The latest Austrian import figures by countries are for the third quarter of 1928. In that period when total flour imports were below those of the second quarter and flour imports from Hungary had decreased as well as those from the United States and Rumania, the imports from Canada were increased by over 50 per cent.

It is impossible to determine whether or not in a year of normal crops the Hungarian competition together with the increased tariff would operate to cut off flour importation from America in spite of its desirability for blending.

Net imports of wheat and flour into Austria from all countries in the 8 months August-March 1928-29 show a tendency to import a larger percentage of the requirement as wheat and less as flour. If Hungarian subsidies have largely offset the effect of the Austrian duty on flour from Hungary as trade reports indicate, it would seem to be a logical procedure for Austrian importers to take a larger part of their flour imports from Hungary and to buy their hard wheat for blending from North America in the form of grain. This would not necessarily cut down their total imports or their imports from North America to any extent.



## AUSTRIA: Imports of wheat and flour, by countries, 1926 - 1928

Country	Year		January - September	
	1926	1927	1927	1928
WHEAT	1,000	1,000	1,000	1,000
	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>
Hungary.....	6,397	4,419	2,854	2,709
United States.....	963	939	800	727
Canada.....	248	839	627	1,125
Argentina.....	26	557	551	536
Yugoslavia.....	776	319	264	607
Italy a/.....	354	183	171	26
Other.....	483	373	329	403
Total wheat.....	9,247	7,629	5,606	6,133
Flour as wheat.....	7,349	8,141	5,166	4,518
Total wheat and flour:	16,596	15,770	10,772	10,651
FLOUR	1,000	1,000	1,000	1,000
	<u>barrels</u>	<u>barrels</u>	<u>barrels</u>	<u>barrels</u>
Hungary.....	812	935	492	638
Rumania.....	284	443	333	131
Yugoslavia.....	187	148	117	29
United States.....	147	142	103	100
Canada.....	47	86	59	62
Other.....	156	55	44	44
Total.....	1,633	1,809	1,148	1,004

Compiled from official sources by Vice Consul Perkins.

a/ Made up in large part of shipments from North America coming through Trieste.

## AUSTRIA: Wheat flour imports, first three quarters of 1928

Country	First	Second	Third
	quarter	quarter	quarter
	<u>Barrels</u>	<u>Barrels</u>	<u>Barrels</u>
Hungary.....	198,133	228,547	210,843
Rumania.....	60,829	42,236	27,861
United States.....	34,374	36,702	29,110
Yugoslavia.....	12,879	6,074	9,562
Canada.....	10,989	19,504	31,899
Other.....	7,840	12,532	24,093
Total.....	325,044	345,695	333,468





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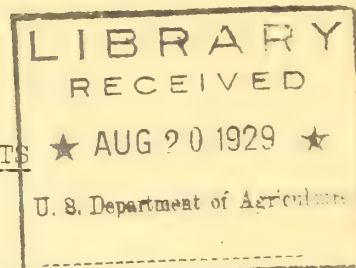
UNITED STATES DEPARTMENT OF AGRICULTURE  
Bureau of Agricultural Economics  
Washington

F.S.  
WH-39

August 15, 1929

FOREIGN NEWS ON WHEAT

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WORLD WHEAT CROP AND MARKET PROSPECTS  
To August 12, 1929



Conditions to date indicate that the world's supply of wheat for the 1929-30 season will be about 3,900,000,000 bushels, as compared with 4,286,000,000 last year, a reduction of 380 million bushels. The world carryover on July 1, accounted for to date, totals 557 million bushels, an increase of 136 millions over the carryover at the beginning of last season. Conditions to date indicate that world production may total about 3,350,000,000 bushels, or 515 million bushels less than last year.

The 1929 durum harvest in foreign countries is expected to be below last year, due largely to unfavorable prospects in Canada. With a big decrease in the domestic harvest, the total United States and foreign crop is expected to be below the amount needed for average consumption.

The world's supply situation is quite similar to what it was in 1924 when the world's production totaled 3,493,000,000 bushels. Allowing for an increase in demand of about 70 million bushels per year, the supply in that year would be equivalent to about 3,850,000,000 bushels in the present season. The effect of this supply upon price may be observed by noting the differences in the average prices for the seasons 1924-25 and 1928-29. British parcels prices averaged 179 cents per bushel in the 1924 season, compared with about 128 in the past season. The average price of No. 2 hard winter wheat at Kansas City averaged 135, as compared with 112 last season. It is obvious that with higher prices the world's consumption will not be so great as in the past season. It is likely, however, that the world will consume more than it has produced in the present season, and that stocks at the end of the season will be less than at the beginning of the season.



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## WORLD SUPPLY AND DISAPPEARANCE OF WHEAT

Year	World : production :	Shipments : from Russia :	Stocks : accounted for : July 1	Total : supply :	Total : disap- pearance :	Average price : per bushel : British : pounds :
	Million : bushels :	Million : bushels :	Million : bushels :	Million : bushels :	Million : bushels :	Cents :
1923-24	3,551	21	305	3,877	3,528	121
1924-25	3,143	1	349	3,493	3,202	179
1925-26	3,435	27	291	3,753	3,478	170
1926-27	3,420	49	275	3,744	3,397	164
1927-28	3,653	5	347	4,005	3,584	154
1928-29	a/ 3,865	0	421	4,286	3,729	(128)
1929-30	b/ (3,350)	0	557	3,907		

a/ Revised by raising Argentina from 275 to 300 million bushels.

b/ A preliminary forecast, Aug. 7, 1929.

### World production and crop conditions

Official forecasts and estimates of production in 22 countries indicate a production of about 2,024,000,000 bushels, a reduction of 139 million bushels from the corresponding crops of last year when they amounted to 56 per cent of the world's crop. Weather and condition reports from many other countries, however, indicate a much larger reduction in the world's crop.

The Canadian official report as of August 1, issued on August 10, indicates fall wheat production to be 24,476,000 bushels. No forecast is made of the spring wheat crop. The condition of the crop is reported to be 66 per cent of the ten-year average. The area in spring wheat was estimated to be 24,543,000 acres. Sixty-six per cent of an average yield on this area would be about 270 million bushels which, added to the estimated winter wheat production, would total 294 million bushels. An analysis of Canadian weather conditions as published last year (FS/WH-26, p. 19-20) indicates a crop of about 300 million bushels, as compared with 534 million bushels estimated as produced last year.

Agricultural Commissioner Dawson in Berlin reports some improvement in Continental European wheat crops in the past month, but he still believes that the crops of these countries, outside of Russia, will be less than last year. Greece and Spain report crops better than last year. Italy also reports a crop better than last year, but Mr. Dawson thinks that it is over-estimated and is probably no larger than last year's crop. The French crop will probably be about as large as last year. An official report indicates slightly smaller winter wheat crops in Austria and Germany. Poland may have a larger crop but the remainder of northern Europe is expected to have smaller crops. The Balkan countries all have shorter crops. The total production of the four surplus producing Balkan countries is estimated at about 288 million bushels, compared with 369 millions produced last year. It seems probable that the European crop will be at least 100 million bushels less than last year and that most of the reduction will be in the surplus producing countries.



WHEAT: Production in specified countries, average,  
1909-1913, annual 1926-1929

Country	Average 1909-1913	1926	1927	1928	1929
NORTH AMERICA	1,000	1,000	1,000	1,000	1,000
	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>
Canada (Winter) . . . . .	a/ 22,294:	21,785:	22,266:	(20,054)	(24,476)
United States . . . . .	690,108:	831,040:	878,374:	902,191:	773,885
Mexico . . . . .	a/ 11,481:	10,333:	11,890:	11,031:	11,492
Total (3) . . . . .	723,883:	863,158:	912,530:	933,276:	809,853
EUROPE					
England and Wales . . . . .	55,770:	48,683:	53,125:	47,264:	41,813
Netherlands . . . . .	4,976:	5,487:	6,157:	7,336:	3,836
Spain . . . . .	130,446:	146,599:	144,825:	122,640:	139,793
Italy . . . . .	134,393:	220,644:	195,809:	228,596:	238,832
Germany, winter only . . . . .	114,031:	86,552:	109,444:	127,194:	110,000
Austria, winter only . . . . .	b/ 12,813:	9,001:	11,469:	12,419:	11,574
Hungary . . . . .	71,493:	74,909:	76,933:	99,211:	70,768
Greece . . . . .	c/ 16,273:	12,403:	12,970:	15,676:	16,800
Bulgaria . . . . .	37,823:	36,544:	42,121:	50,691:	37,432
Rumania . . . . .	a/ 158,672:	110,883:	96,734:	115,544:	94,852
Finland . . . . .	137:	924:	1,064:	879:	955
Malta . . . . .	196:	310:	294:	289:	293
Total (12) . . . . .	787,023:	752,939:	750,945:	827,739:	766,948
AFRICA					
Morocco . . . . .	(17,000)	16,174:	24,618:	24,746:	28,623
Algeria . . . . .	35,161:	23,551:	28,323:	30,302:	40,601
Tunis . . . . .	6,224:	13,044:	8,267:	12,125:	12,125
Total (3) . . . . .	58,385:	52,769:	61,208:	67,173:	81,349
ASIA					
India . . . . .	(4,000)	15,940:	14,582:	6,490:	11,023
Syria and Lebanon . . . . .	351,841:	324,651:	334,992:	288,811:	313,973
Japan . . . . .	25,088:	30,188:	31,018:	30,812:	31,101
Chosen . . . . .	6,898:	10,517:	9,043:	8,595:	9,963
Total (4) . . . . .	387,827:	379,296:	389,635:	334,708:	366,060
Total above count. (22) :	1,957,118:	2,048,162:	2,114,318:	2,162,896:	2,024,210
Est. N. Hemisphere excl. Russia and China . . . . .	2,759,000:	2,979,000:	3,193,000:	3,333,000:	
Est. world excluding Russia and China . . . . .	3,041,000:	3,420,000:	3,653,000:	3,865,000:	

a/ Four year average.

b/ Total production.

c/ One year only.





Reports from Russia indicate that crops may be somewhat better than last year, but it is not likely that there will be any grain for export.

The Southern Hemisphere crops are still somewhat uncertain. There are no indications that Australia and Argentina have recovered from the effects of the drought. Parts of both countries are still experiencing droughty conditions. Trade reports from Australia suggest that the crop there may be reduced 25 per cent. Taking into account a reduction in seedings in Argentina and a continuation of droughty conditions in these two countries, it hardly seems likely that the Southern Hemisphere will produce more than 380 million bushels as compared with about 490 million bushels last year, a reduction of 110 million bushels.

The above indicated reductions total 570 million bushels, but these will be offset by some increases in production in Africa and Asia where crops are somewhat larger than last year.

#### The demand for wheat from surplus producing countries

European demand for wheat from surplus producing countries may be about as good as it was last year. Better corn crops in the Balkan countries will to some extent reduce the home requirements for wheat in those countries. Shorter wheat crops in several North European countries will more than offset the effect of the larger corn crop in the Balkan countries. France is reported to have a fairly large supply of old wheat, but Germany has smaller supplies than last year. Furthermore, the German rye crop may be smaller than last year.

The demand for wheat from the Orient may be greater than last year, but with higher prices the Orient probably will not take so much as was taken last year. Agricultural Commissioner Nynus has reported that the wheat crop in the vicinity of Shanghai is not so good as last year. The North China crop is again short. Mr. Nynus cables on August 8 that the arrivals of native wheat in Shanghai are heavy and excessive enough to depress current prices in spite of what is considered a short crop. The mills are well stocked for the present but prospective supplies for the fall months are small and millers expect that native supplies are not large enough to enable them to operate beyond December.

#### Supply in the United States

The United States crop is now estimated at 774 million bushels, compared with 834 millions in July and a production of 902 million bushels last year. This is the smallest crop to be harvested since 1925. The reduction in production a little more than offsets an increase in carryover. The distribution of the crop suggests an export surplus of hard red winter, durum and white wheats. The hard red spring wheat crop seems likely to be the smallest on record excepting that of 1926. The durum wheat crop is also relatively small, only slightly larger than that of 1926. The supply of the different classes of wheat is of course somewhat larger than indicated by the production distribution. There are large stocks of hard red spring, durum, and hard red winter wheats, but the stocks of hard red spring are probably not sufficient to provide a supply in excess of the usual domestic requirements for this kind of wheat.



WHEAT: Production 1/ by classes, 1920-1928

Year beginning July	Hard red spring	Durum	Hard red winter	Short red winter	White	Total
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
1920 .....	140	52	302	247	91	835
1921 .....	131	57	290	237	99	815
1922 .....	170	91	280	248	79	868
1923 .....	127	55	241	272	102	797
1924 .....	192	66	365	189	52	864
1925 .....	156	65	206	170	80	676
1926 .....	121	48	360	229	73	831
1927 .....	202	83	317	181	95	878
1928 .....	195	98	384	140	86	902
1929 July	156	63	339	199	76	834
Aug.	126	54	330	189	75	774

1/ Estimates of production by classes are based on surveys made in 1920, 1923, and 1924 of the percentage of different varieties of wheat grown, supplemented by investigations and judgment of cereal specialists. All estimates are the result of applying percentages for each state to the production of each state as estimated by the Division of Crop Estimates save that durum estimates of four states are used directly. As there are changes from year to year in the relative amounts of the varieties of wheat grown and also changes in the relative yields per acre, these figures should be considered to be only rough approximations.

### Prices

The marked rise in wheat prices which began in May was checked in the latter part of July. The average of all classes and grades at six markets in the United States rose from 94 cents the last week in May to 134 cents the third week in July. This rise was followed by a slight recession and then some recovery so that the average for the week ending August 2 was 135. Prices declined in the second week of August. On August 8, September futures in Chicago closed at 135, compared with 147 on August 1. October futures in Liverpool dropped from 155 on August 1 to 144 on August 8.

The movement of prices in the United States and Liverpool was reflected in other markets. German markets weakened. The spot price of wheat at Hamburg declined 4 cents and was \$1.78 on August 7. In Shanghai heavy receipts of local wheat have depressed prices. The local wheat was selling at 110 cents per bushel for August delivery and 117 for October delivery, while No. 2 red wheat from the United States, October shipment, was selling at 136 cents per bushel.

The present depression in wheat prices in world markets generally is due to heavy marketings of new wheat in the United States, which tend to depress both the cash and the futures market, and a speculative reaction from the rapid rise through June and the early part of July

Price charts are shown at the end of this report.





WHEAT: Closing prices of July and September futures

Date	Chicago	Kansas City	Minneapolis	Winnipeg	Liverpool	Buenos Aires a/
	1928: 1929:	1928: 1929:	1928: 1929:	1928: 1929:	1928: 1929:	1928: 1929:
	Cents:	Cents:	Cents:	Cents:	Cents:	Cents:
	July futures					
July 3:	136:	120:	128:	113:	136:	122: 138: 140: 151: 129:b/133: 111
11:	131:	122:	125:	116:	132:	125: 132: 144: 144: 130:b/129:b/114
	September futures					
18:	128:	146:	120:	140:	126:	148:c/127:c/164:c/146:c/156: 130: 130
25:	124:	146:	116:	140:	121:	149:c/121:c/168:c/138:c/152: 125: 127
Aug 1:	120:	147:	112:	141:	117:	149:c/121:c/171:c/138:c/155: 123: 128
9:	113:	135:	105:	130:	110:	136:c/114:c/154:c/134:c/144: 113: 119
15:	113:	:	106:	:	111:	:c/113: :c/130: : 116:
22:	112:	:	105:	:	110:	:c/114: :c/130: : 112:
29:	110:	:	103:	:	109:	:c/111: :c/131: :c/114:
Sept 5:	110:	:	103:	:	108:	:c/111: :c/130: :c/114:

- a/ Prices are of day previous to date of other market prices.  
b/ August future.  
c/ October future.

WHEAT: Weighted average cash prices at stated markets

Date	All classes:	No. 2	No. 1	No. 2	No. 2	Western
	and grades:	hard winter:	dk.n.spring:	amber durum:	red winter:	white
	six markets:	Kansas City:	Minneapolis:	Minneapolis:	St. Louis:	Seattle a/
	1928: 1929:	1928: 1929:	1928: 1929:	1928: 1929:	1928: 1929:	1926: 1929
	Cents:	Cents:	Cents:	Cents:	Cents:	Cents:
July 5:	137:	115:	136:	113:	153:	137: 132: 116: 172: 123: 140: 119
12:	132:	119:	128:	117:	149:	141: 124: 123: 155: 124: 135: 122
19:	129:	134:	126:	130:	146:	159: 119: 146: 151: 143: 129: 134
26:	122:	133:	118:	129:	138:	155: 117: 144: 147: 141: 124: 132
Aug 2:	118:	135:	114:	131:	141:	156: 115: 144: 144: 140: 125: 134
9:	108:	:	105:	:	127:	: 103: : 134: : 118:
16:	108:	:	105:	:	125:	: 108: : 137: : 113:
23:	108:	:	104:	:	123:	: 109: : 137: : 112:
30:	110:	:	106:	:	122:	: 109: : 144: : 113:

- a/ Weekly average of daily cash quotations, basis No. 1 sacked 30 days delivery.





Wheat trade

Prospects of a short world crop and the rapid rise in prices through June and into July have had a tendency to check the world shipments of grain. The net movement of wheat from surplus producing countries through June and July was about 20 million bushels less than in the corresponding period of last season. This reduction is in the shipments from Canada which from four markets was 30 million bushels less than in the corresponding period of last year. The exports from the United States have amounted to nearly 13½ million bushels as compared with 8,400,000 shipped last year, and the Argentine shipments have totaled nearly 18 million bushels as compared with 11 millions last year. At the present rate, the surplus Argentine stocks will soon be moved and much of the increase in the carryover of the United States will soon be accounted for by the greater volume of movement early in the season. With a shorter Canadian crop, competition with the United States for supplying the European demand through the late fall and winter months will be much less than last year.

## WHEAT, INCLUDING FLOUR: Shipments from principal exporting countries

Country	Total shipments:		Shipments, week			Net movement from July		
	or exports		ending			as far as reported		
	1927- 28	1928- 29 a/	July 20	July 27	Aug. 3	To and incl.	1928- 29	1929- 30
	1,000	1,000	1,000	1,000	1,000		1,000	1,000
	bush	bush	bush	bush	bush		bush	bush
Canada:								
Shipments, 4:								
markets b/	335,335	458,649	3,291	2,726	4,536	Aug. 3	49,277	18,458
United States	206,259	162,748	2,397	4,921	2,473	Aug. 3	8,394	13,467
Argentina . . . .	172,135	216,613	2,996	2,388	2,602	Aug. 3	10,844	17,606
Australia . . . .	72,962	112,054	1,160	1,256	592	Aug. 3	5,800	5,568
Russia . . . . .	7,000	8	0	0	0	Aug. 3	8	0
Damube Bul.c/	32,847	2,712	120	8	208	Aug. 3	0	456
British India :	14,329	12,727	0	40	16	Aug. 3	944	112
Total . . . . .	844,866	940,057	9,964	11,339	10,427		75,267	55,667

Compiled from official and trade sources.

a/ Preliminary.

b/ Shipments from Ft. William, Port Arthur, Vancouver and Prince Rupert.

c/ This includes Hungary, Yugoslavia, Rumania and Bulgaria.

d/ Net imports.



## WHEAT: Supply and distribution in the United States, 1925-1929

Item	Year beginning July 1				
	1925	1926	1927	1928	1929
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
Supply:					
Stocks on farms July 1 .....	29	21	27	24	45
Country mills and elevators .....	25	29	22	19	40
Commercial visible (Bradstreet's) ..	29	16	26	42	96
In merchant mills and elevators <u>a/</u> ..	23	25	37	32	48
In transit .....	9	7	11	11	16
Total stocks .....	115	96	123	128	245
Imports (grain only) .....	16	13	16	21	
Production .....	676	831	878	902	774
Total supply .....	807	942	1,017	1,051	
Distribution:					
Mill grindings (merchant mills) <u>a/</u> ..	537	556	558	568	
Mill grindings (custom and small mills) .....	10	10	10	10	
Seed requirements .....	83	89	95	88	
Total domestic accounted for ...	630	655	663	666	
Exports (grain only) .....	63	156	146	103	
Disappearance accounted for .....	693	811	809	769	
Carryover (including wheat of merchant mills in transit) ....	98	123	128	245	
Total supply accounted for .....	791	935	937	1,014	
Disappearance unaccounted for <u>b/</u> ..	16	8	80	38	

a/ Census Bureau, Department of Commerce, raised to 100 percent based on the Biennial Censuses of 1923, 1925 and 1927.

b/ Difference between total supply accounted for and total supply. Includes wheat fed to livestock, waste, loss and errors in estimates.



The Continental European wheat situation a/

Continental European wheat markets during July were generally more active than during June, according to Agricultural Commissioner Owen L. Dawson at Berlin. Prices showed a considerable increase although not so great as registered in overseas countries. Increases were less marked in France and the Danubian countries which is attributed by the trade to considerable domestic grain stocks left in France and the effort to force exports in Hungary. The main influence in the general price increase on the Continent during July was unfavorable crop development overseas, but this was to some extent offset by the relatively favorable crop developments on the Continent until a large part of the bread grain crop had matured.

Sales of flour were important throughout the month and prices moved in accordance with grain prices. July wheat stocks in Germany, Czechoslovakia, Austria and Poland, are not large and probably smaller than a year ago. Hungary, and to some extent Yugoslavia, sold large quantities during recent weeks and stocks of wheat were considerably reduced there but they are still of some importance and probably somewhat larger than a year ago. Domestic wheat stocks in France continued rather large and are probably also above last year.

The rye market showed great independence and did by no means parallel the tendency in wheat. Following a temporary price increase during the first half of the month, the market weakened somewhat and the price-spread between wheat and rye became very large, the largest on record since the campaign of 1925-26. The expectation of a large rye crop in the main producing regions, and considerable stocks of rye in Germany, Poland and other parts of Central Europe accounted for such market developments.

The feed grains market was active during July in contrast with the dullness prevailing in June. Prices were firm and generally good buying interest on the part of European importers was evident. Corn prices increased owing to good demand and considerable reduction in the Argentina corn shipments. The prospects for a large corn crop in Southeastern Europe were apparently of less influence upon the market than the outlook for a considerably reduced corn crop in Argentina compared with last year. Feed barley also showed an increase in prices and experienced good demand in Central Europe. The trade thinks that prospects for a considerably reduced crop of winter barley in Continental Europe was a factor in this situation. Less improved demand was evident in the case of oats, but the market tendency was generally firm.

Reports on crop conditions in Continental Europe indicate some improvement compared with the status at the time of our last report. However, the recent dry weather coupled with excessive heat over most of the Continent has been detrimental to late grains but no estimates on the extent of the damage are yet available. Prospects for the corn crop in Southern and Southeastern Europe were very favorable until recently; cooler weather and timely rains,

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a/ By Acting Agricultural Commissioner Owen L. Dawson, Berlin, Germany, July 24, 1929. Brought up to August 10 by cable.





however, would make it certain that the outturn of the corn crops in these countries will considerably reduce wheat requirements there compared with last year.

The harvest of bread grains is over in parts of Southern Europe and in full swing everywhere except in Scandinavia.

It still appears that the Continental European wheat crop will be below last year, but somewhat above average, as the weather was quite favorable during the critical period except in northern sections where the heat wave was detrimental to the maturing crops. The situation in individual countries is as follows:-

- (a) Extensive winter-kill and early unfavorable growing weather will reduce the French wheat crop below last year. Weather in early July improved the prospect but the recent heat wave is said to have injured the wheat in northern sections where it had not yet matured.
- (b) Germany will have a smaller wheat crop than last year, but above average, somewhere between the results of 1927 and 1928. The German rye crop is now thought to be from 10 to 20 per cent below last year and in view of this it is quite certain that the total European production will be below 1928.
- (c) Italy's wheat crop has been estimated at 10,000,000 bushels above last year's good crop, but according to unofficial reports this estimate seems to be too high.
- (d) Extremely heavy winter-kill in Belgium and the Netherlands will reduce the wheat crops there materially below last year.
- (e) Hungary's and Rumania's wheat crops will also be materially below last year, the former about 30, the latter about 20 per cent below, largely because of extensive winter-kill in important regions.
- (f) Yugoslavia and Bulgaria will also produce wheat crops below last year's production.
- (g) Spain will have a wheat crop above last year's light crop.
- (h) Other countries taken as a whole will not show material change.

The effect of this year's harvest in Europe on the continental market is still uncertain. The wheat crop now appears 9-10 per cent below last year or about 4 per cent above average. Prospects for a rye crop in Central Europe are close to last year's large crop and stocks are still large. A good corn crop in Southeastern and Southern Europe would doubtless reduce wheat requirements of the Continent materially. Corn prospects are good at present but unfavorable weather from now on could reduce the prospects considerably.



GERMANY

Wheat and wheat flour prices in Germany have increased considerably during the past month. The crop outlook overseas was mainly responsible for this marked upward price movement but the fact that duties on wheat, rye, and wheat and rye flour were increased, and that a law prescribing the percentage of domestic wheat to be milled in German mills was to become effective on August 1 was also a market factor. The duties on wheat were raised effective July 10, from 32.41 cents per bushel to 42.14 cents for the "most favored nations"; and the duty was raised from 30.25 to 36.30 cents per bushel on rye and 17.29 to 20.74 cents per bushel on oats. Canada and Australia which are not among the "most favored nations" now have to pay 48.62 cents per bushel for wheat, 42.35 cents per bushel on rye and 24.20 cents on oats. The duty on wheat and rye flour was raised from \$1.24 per 100 pounds to \$1.87 for the "most favored nations" and from \$1.35 to \$1.57 for the others. That the tariff rates would be increased was already known toward the end of June. Buying of spot grain was therefore very active in the free ports and also in the Dutch and Belgian markets before July 10 and available stocks decreased considerably in the free ports and the Dutch and Belgian ports. Volume of business in wheat and flour was larger than in the foregoing period. Foreign grain was of very great importance as the domestic stocks of the old crop are small and farmers remained generally reluctant to sell. Wheat prices are expected to be firm during the next few months. According to the new law 40 per cent of the wheat milled by German flour mills between August 1 and November 30 must be German wheat and during the whole period from August 1, 1929 to July 31, 1930, 30 per cent has to be German wheat. As harvesting of the various crops will keep farmers very busy in the near future and as the old stocks are small, domestic wheat is expected to meet with a very active demand.

The rye market in Germany did not develop in sympathy with the wheat market. The crop outlook for rye developed favorably in the European continent. The favorable European outlook for rye coupled with the fact that the stocks of rye of the old crop in Germany as well as in the neighboring countries are still large caused a weak tone in the market. Market deliveries of rye were comparatively large. Rye prices in Berlin were 116 cents per bushel on June 26 and on July 24, whereas wheat prices increased from 143 cents to 167 cents per bushel. The difference between the wheat and rye price was 51 cents per bushel on July 24 compared with 27 cents on June 26 and about 10 cents at the beginning of January 1929. The rye market was temporarily firm during the first ten days of July, but weakened again later. The development of wheat and rye prices is shown in the following table:



## GERMANY. Price per bushel of domestic wheat and rye, 1929

Date of quotation :	Wheat			Rye
	Hamburg a/	Freslau b/	Berlin c/	
	Cents	Cents	Cents	Cents
June 12 :	148	137	136	113
June 19 :	148	137	140	114
June 26 :	152	141	143	116
July 3 :	161	149	158	132
July 10 :	135	153	155	122
July 17 :	182	163	169	123
July 24 :	181	162	167	116

a/ Wheat of any German district of at least 58.7 pounds per bushel.

b/ Wheat of any German district in carloads of 370 bushels of at least 58.7 pounds per bushel.

c/ "Markischer" wheat of at least 58.7 pounds per bushel.

d/ "Markischer" rye of at least 55 pounds per bushel.

Wheat imports in June were smaller than expected, being only 6,913,000 bushels compared with 7,052,000 bushels in May, 1929, and 6,809,000 bushels in June 1928. During the first ten days of July, before the new duty became effective, importation of wheat was very large. During the total campaign 1928-29 about 12,000,000 bushels less than last year were imported. Wheat stocks in the ports, in the hands of the mainland trade and the flour mills seem to be comparatively small and smaller than last year. The visible stocks of wheat in Berlin on June 30 were about 10 per cent smaller than last year. The apparent disappearance of wheat in Berlin during June was somewhat smaller than in May 1929 and in June 1928.

The farm stock figures of the Deutscher Landwirtschaftsrat as of June 15, 1929, indicate that wheat stocks were smaller than last year, whereas rye stocks were to a considerable extent larger than last year. Figures of the stocks available for sale were not reported for June.

## Grain stocks on German farms on June 15, 1928 and 1929

Grain :	Stocks June 15		Percentage of crop	
	1928	1929	1928	1929
	1,000 bushel	1,000 bushel	Per cent	Per cent
Wheat .....	11,000	9,800	9.1	6.9
Winter rye ....	17,000	36,000	6.3	10.9

FRANCE

The French wheat market did not develop in full sympathy with the world market. Prices have increased to some extent as a consequence of the reduced





crop expectations overseas, but to a much lesser extent than elsewhere. It appears that there are still large stocks of wheat of the old crop which have to be sold. Flour mills were reluctant and bought only comparatively small quantities. Another factor partly responsible for the weak undertone in the French wheat market was favorable weather for crops during June and early July. Many reports state that the grain crops have improved greatly and are rather optimistic. We think, however, that in spite of a considerable improvement in conditions this year's crop will be smaller than last year's owing to the extensive winter-kill in the northern sections and drought during the spring. The recent period of hot weather may also reduce the crop in the north. In the southern sections harvesting is in full swing.

#### NETHERLANDS AND BELGIUM

The wheat market in Holland and Belgium was generally firm and active with large transactions in spot and future business. On some days business was restricted because the belief prevailed that the unfavorable weather reports were exaggerated. Before the increase of the German tariff rates became effective large quantities of spot wheat in the seaports were bought by German firms and immediately transported to Germany. This resulted in a considerable decrease of stocks which became unusually small.

The rye outlook for Belgium is reported fairly favorable, but in wheat and barley the crop is expected to be below normal. In Holland the condition of wheat is below last year and below average. Rye, however, is about average and is generally better than wheat.

#### DANUBE BASIN

In the deficit countries Austria and Czechoslovakia wheat prices have increased under the influence of the firm world market. The firmness, however, was not as pronounced as elsewhere. The fact that crop reports from the Danube Basin sounded mostly favorable caused a tendency against a too strong increase of prices. The market remained generally quiet in spite of large transactions on some days. The flour mills were reluctant and bought only moderate quantities. It appears that the domestic wheat stocks of the old crop are not unusually large in Czechoslovakia and Austria. On the other hand there are still important quantities of rye which have to be consumed. Present conditions in Czechoslovakia promise a medium to good crop, the outlook for wheat being better than for rye. In Austria crop prospects have improved during June. The wheat outlook is about as good as last year and the rye outlook somewhat better.

The large increase of wheat prices in the world market had also a stimulating influence on some markets of the surplus countries of the Danube Basin. In Hungary export business was active around the middle of July. Hungarian prices had not increased to the extent of overseas and this brought Hungarian wheat into a more favorable competitive position. Markets in Yugoslavia and Rumania were quiet.



The crop outlook in the Danubian countries has developed quite favorably since our last report. The first official Hungarian wheat estimate as per June 19 of 63,419,000 bushels was raised to 70,547,000 bushels in the second estimate of July 3 and later to 70,768,000 bushels on July 15. According to private reports threshing returns have proved to be satisfactory and there may be some chance for a further increase of the estimate. It is also noted that estimates are frequently revised upward later in the year. Reports from Rumania are contradictory; the most reliable estimate given out seems to be the first official estimate according to which this year's wheat crop will be 94,835,000 bushels or about 18 per cent less than last year and on the basis of the reduced acreage this appears too high. Private reports on the probable outturn of the Yugoslavian wheat crop have been mostly favorable during the past month. It is not likely, however, that the crop will be as large as last year and that the quality will be as good. The corn crop shows a very satisfactory condition in all Danube countries and it is likely that corn will be consumed in large quantities next year instead of wheat unless future weather conditions turn decidedly unfavorable for the corn crop.

#### POLAND

The wheat and rye market was comparatively quiet during the period under review. Wheat stocks are comparatively small and prices have therefore recovered. Large quantities of rye are still available in the country and have to be disposed of. Rye prices are very much depressed, prices for rye being nearly 50 per cent lower than wheat prices. The demand for wheat was also limited as flour mills showed an attitude of reluctance and bought only for current needs.

It is probable that this year's wheat and rye crops will be larger than last year. Weather conditions were mostly favorable during June and July; local damage from storms will have little influence on the outturn of the total crop.

#### ITALY

The wheat market in Italy became brisker and firmer toward the end of June. Foreign grain transactions, however, remained limited and more business was done mainly in domestic wheat. Weather conditions were not especially favorable during June and July; storms and drought have caused damage in spots. In the southern sections and in parts of central Italy harvesting of wheat has been practically completed. Some reports state that threshing returns have shown satisfactory results. The crop outturn varies greatly within small sections and, therefore, it is difficult to estimate the total amount. The crop is expected to turn out lower than last year and be near the average.





SOVIET RUSSIA

Reports on the development of the procuring campaign are again very scarce with indications that the Government is experiencing difficulties in securing grain from the more well-to-do peasants, the latter preferring in some cases to hide their stocks at the risk of losses from storage and confiscation rather than sell them to the Government. The increasing tendency of procurings at the beginning of June indicated in our report of June 27, seems to have resulted in a rather sharp increase in June procurings, according to newly published reports, but no figures on the actual level of procurings are available. There are as yet no data available on procurings during 1928-29 except the statement recently made by a high Russian official that procurings of grain were 2,892,000 short tons below those in 1927-28. This decrease of somewhat more than 25 per cent is entirely due to unsatisfactory developments of the campaign during the second half of the year, as procurings were still ahead of those of the preceding year on January 1, 1929 - the latest date up to which figures were regularly published. A preliminary statement for Ukraine alone indicates that procurings there were considerably below those of the previous years, having amounted to only 1,484,000 short tons compared with 4,451,000 short tons in 1927-28 and 3,444,000 in 1926-27. Procurings in RSFSR during the first nine months of the past campaign were reported to have amounted to 7,731,000 short tons. This means an increase of 11.9 per cent over procurings during the same period in 1927-28 which was due to increased procurings of wheat (+ 41 per cent) as well as of some other minor crops, while procurings of rye showed the large decline of 54.5 per cent.

A member of the Commissariat of Trade of USSR when discussing the preparations for the new grain procuring campaign, stated that larger receipts of grain than last year are to be expected during the first quarter of the current agricultural year in view of the better crop outlook and the improved organization of the campaign. This fact, coupled with the large returns of grain expected from the "contracted" fields <sup>a/</sup>, as well as measures taken by the Government to accelerate the delivery of grain by the Soviet and Collective farms caused the Commissariat to raise the grain procuring plan for the first quarter of 1928-29 to a higher level than last year. No doubt receipts of grain from the "socialistic sector" of agriculture and from contracted fields will be a favorable factor. However, the outlook for Government purchases of grain from individual peasants is rather uncertain in view of the strong opposition of certain classes of the agricultural population, the press indicating that grain procurings are at present the most important field of "class war" and that grain procurings are not a business transaction of the organs concerned but that they are a most important measure carried on with the active help of the poor and middle class circles of Russian peasantry. The attitude of the peasants toward the Government, however, will be of less influence during the first months of the campaign when peasants will be obliged to sell at least some of their grain to meet their obligations and cover their requirements for industrial goods. The supply of the latter will be of even greater importance this year than has been true during the preceding years. Shipment of industrial goods to the villages is to increase considerably during the first quarter

a/ Who have undertaken to deliver their grain within the first two months after the date of harvesting.





in the agricultural year compared with the same period a year ago, according to plans announced by the planning organizations.

The latest issued official crop condition report is that of July 1 which places all crops in the Union at 115 points compared with 111 points on June 15 and 118 a/ points on July 1, 1928. The corresponding crop condition estimate for RSFSR (Russia Proper) is 112 points compared with 121 a/ last year and for Ukraine 123 compared with 111 a/ points a year ago. However, this deterioration of crop conditions compared with 1928 is not indicated either by the Russian press or by Russian officials. On the contrary, prospects for this year's crop in general are regarded as rather favorable and better than a year ago. Thus, for example, the Chairman of the Commissariat of Trade of USSR, Mikojan, recently stated that, on basis of the conditions per July 1, the crop will be 5.5 to 6.5 million short tons above that of last year. Other reports vary between 3 and 5.5 million short tons. It is also pointed out that the geographical distribution of the crop is more favorable than a year ago, being more uniform in character and not showing such large fluctuations as in 1927-28. In a country like Russia where transportation and storing facilities are not adequate, the possibility of utilizing transportation means to a better extent is very important. On the other hand, factors unfavorable to the outlook of the crop are the winter-kill, which, though below last year, was still important this year, as well as adverse weather conditions prevailing at the end of May and part of June. The dry hot winds reported at the end of June in North Caucasus are said to have reduced the crop there considerably, a Government official recently indicating that the damage from these winds amounted to not less than 1,500,000 short tons. However, it is still thought that this year's crop in North Caucasus will be somewhat higher than a year ago, due to the considerable increase of acreage.

Weather conditions seem to have been unfavorable to the growing crop during the first ten days of July, according to the report of the Meteorological Section. Heavy showers occurred in parts of the western section of Central Fertile Region and eastern section of Central Industrial Region, which may have resulted in lodging, while hot dry weather prevailed in the eastern and south-eastern section of Middle Volga, Transvolga, southern section of the Middle Volga region, north and northeastern section of Ukraine. On the other hand, conditions were favorable in the western section of Middle Volga, northwestern section of Lower Volga and northeastern section of the Central Fertile Region, where moderate but frequent rains occurred.

Preliminary information from Crimea and North Caucasus - where harvesting started earlier than in other regions - indicate that the quality of this year's crop is satisfactory, and in some cases above last year. With weather conditions reported favorable to harvesting up to now, Russian authorities hope that this preliminary estimate based on data from the extreme south may prove characteristic for the crop as a whole. However, it remains to be seen what effect the rather unfavorable weather conditions reported for the first ten days of July had upon the quality of the crop.

a/ No comparison figures for last year were given in the above mentioned report the figures mentioned for July 1, 1928 being those published at that time.



...ing is in full swing in the southern regions of the Union and about to begin in the eastern regions, with threshing also reported started in some localities. The campaign is showing certain defects in organization, such as shortage and poor distribution of machinery, etc., but this may be regarded as "seasonal factor" as the past campaigns were also carried on under similar circumstances. The first lots of grain have already appeared on the market in Southern Russia and in regions where this had been the case prices showed a declining tendency.

The 1929-30 plan of foreign trade was recently announced by the Government, at which occasion it was stated that no exports of grain are planned again this year.



WHEAT: Production in European countries, average 1924-1928,  
annual 1927-1928 and preliminary estimates for 1929. a/

Country	Average 1924-1928	1927	1928	1929 preliminary
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Germany .....	112,991	120,522	143,593	(121,000)
Italy.....	211,208	195,809	228,596	238,832
France.....	280,140	276,128	281,285	(279,000)
Belgium.....	14,910	16,277	17,986	( 14,700)
Netherlands.....	5,853	6,157	7,336	( 5,500)
Czechoslovakia.....	39,512	40,385	51,499	( 40,000)
Austria.....	10,684	11,960	12,860	( 12,860)
Switzerland.....	3,852	4,119	4,270	( 5,900)
Denmark.....	9,200	9,408	12,214	( 10,300)
Poland.....	50,165	54,230	59,219	( 61,000)
Spain.....	139,687	144,825	122,640	139,808
Total, 10 deficit countries	878,202	879,820	939,498	928,900
Hungary.....	74,859	76,933	99,211	70,768
Yugoslavia.....	73,541	56,568	103,294	( 85,000)
Rumania.....	99,664	96,734	115,544	94,835
Bulgaria.....	39,083	42,121	50,691	37,441
Total 4 surplus countries	287,147	272,356	368,740	288,044
Deficit countries...	878,202	879,820	939,498	928,900
Surplus countries...	287,147	272,356	368,740	288,044
Total 14 countries...	1,165,349	1,152,176	1,308,238	1,216,944
Other Europe.....	100,000	110,000	102,000	100,000
Total Europe.....	1,265,000	1,262,000	1,410,000	1,317,000

a/ Figures in parenthesis are unofficial estimates.





WHEAT INCLUDING FLOUR: Net exports from principal exporting countries and net imports into European importing countries 1927-28 and 1928-29

: Net exports reported ::				: Net imports reported			
Country	: July :	:	:	Country	: July :	:	:
	: 1 :	:1927-28:1928-29::			: 1 :	:1927-28:1928-29	
	: to :	:	:		: to :	:	:
	:	:Million:Million::			:	:Million:Million	
	:	:bushels:bushels::			:	:bushels:bushels	
	:	:	:		:	:	:
	:	:	:	::United Kingdom	:June 30:	211	: 204
	:	:	:	::Italy	:June 30:	87	: 89
	:	:	:	::Germany	:June 30:	92	: 69
United States	:June 30:	191	: 142	::France	:June 30:	54	: 51
Canada	:June 30:	305	: 422	::Belgium	:May 30:	39	: 38
Russia	:June 30:	5	: a/	::Netherlands	:June 30:	31	: 29
British India	:June 30:	12	: b/-13	::Czechoslovakia	:June 30:	21	: 17
Hungary	:Apr 30:	20	: 20	::Greece	:May 30:	17	: 20
Rumania	:Mar 31:	7	: 4	::Irish Fr. State	:May 30:	17	: 16
Bulgaria	:	-	: -	::Austria	:June 30:	16	: 16
Yugoslavia	:Mar 31:	1	: 6	::Switzerland	:June 30:	18	: 15
Algeria	:June 30:	5	: 4	::Sweden	:June 30:	9	: 8
Argentina	:June 30:	183	: 217	::Norway	:May 30:	6	: 8
Australia	:June 30:	75	: 112	::Denmark	:May 30:	10	: 16
	:	:	:	::Finland	:May 30:	5	: 5
	:	:	:	::Poland	:May 30:	6	: 4
	:	:	:	::Estonia	:June 30:	1	: 1
	:	:	:	::Latvia	:Mar 31:	1	: 2
	:	:	:		:	:	:
	:	:	:	::Total important:	:	:	:
Total	:	: 804	: 914	::European coun-	:	: 641	: 608
	:	:	:		:	:	:

a/ Less than .01 million bushels. b/ Net imports.



Canada

Increased elevator storage for grain at Port Colborne

Consul Stewart at Port Colborne reports "an announcement by the Maple Leaf Milling Company of Canada, Limited, that it would erect in Port Colborne, Ontario, at once a storage elevator having a capacity of 1,000,000 bushels, a feed mill with a daily capacity of 400 barrels, and a new bag factory with a capacity of more than 70,000 per day. The building housing the present bag factory, it is said, would be abandoned and used for storage in conjunction with the feed mill."

"The feed mill at West Toronto, much smaller than that contemplated here, it is said, will be discarded and all the firm's rough feed manufactured at Port Colborne."

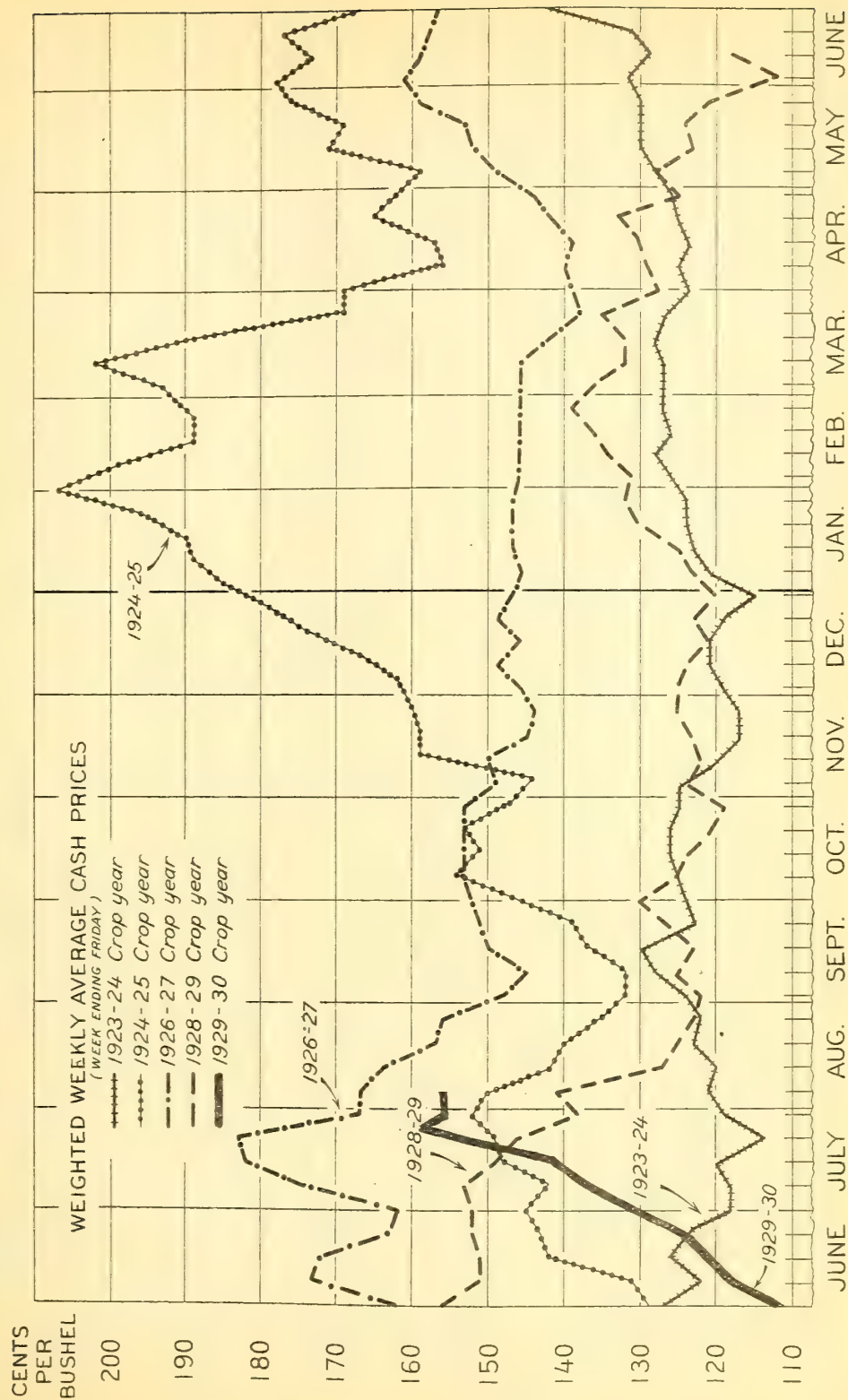
Foreign tariffs on wheat

Countries		: Per bushel : (60 lbs.)
		: Cents
Canada:		:
General (from United States) .....		: 12.00
Preferential (British Empire) .....		: 8.00
United Kingdom .....		: Free
Japan ... ..	1½ yen per 100 kin .....	: 1/ 31.34
	Per 100 kilograms	:
Germany:		:
General (Canada, Australia, etc.) .....	7.50 Marks	: 48.62
Conventional (from United States) .....	6.50 Marks	: 42.14
France .....	50 Francs	: 53.31
Italy .....	14 Gold Lire	: 73.54
Sweden .....	3.70 Crowns	: 1/ 26.99
Norway .....		: Free

1/ Conversion to U.S. currency made on the basis of the rate of exchange prevailing on July 17, 1929; other conversions at par of exchange.



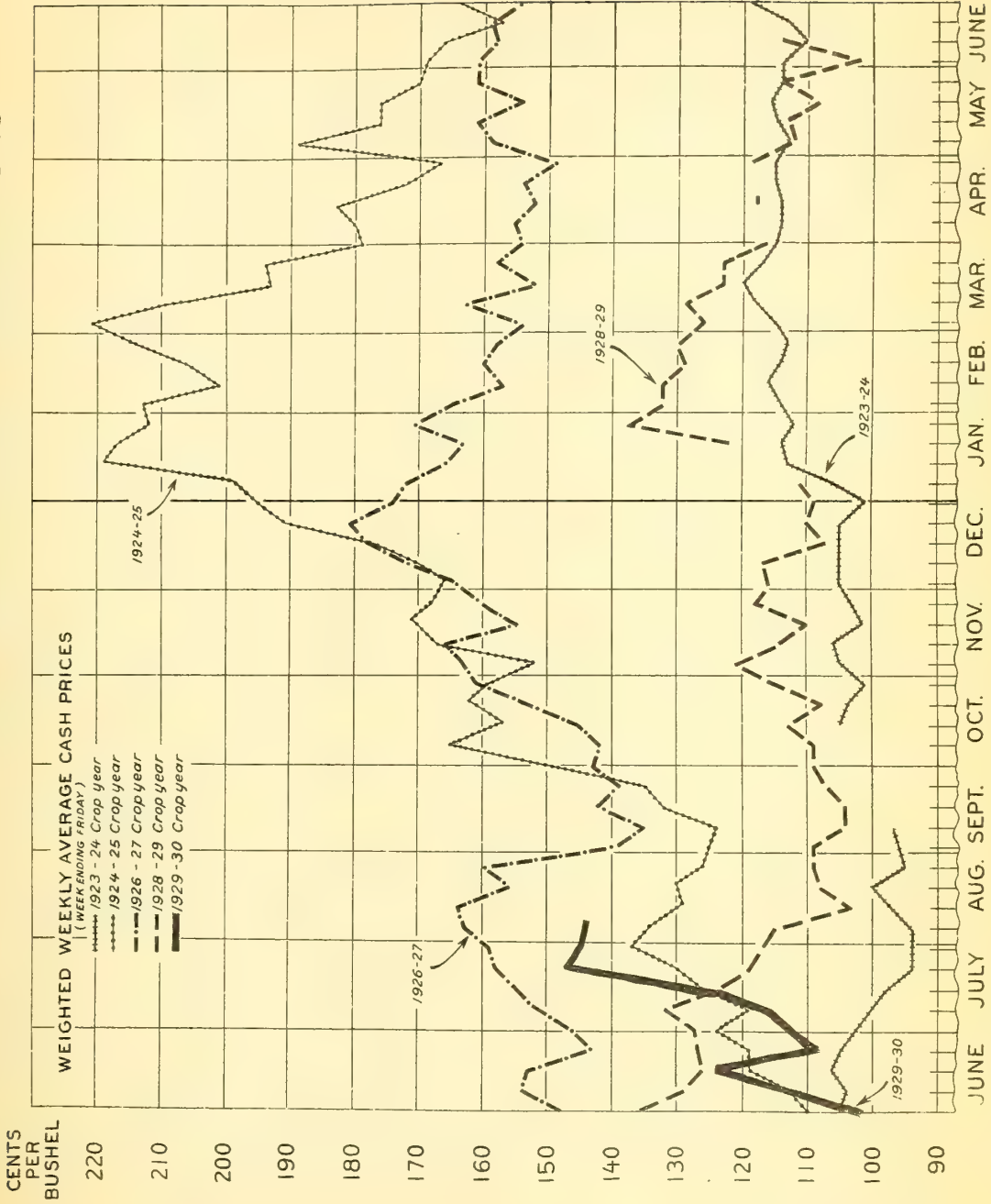
# WHEAT: PRICE OF NO. 1 DARK NORTHERN SPRING AT MINNEAPOLIS





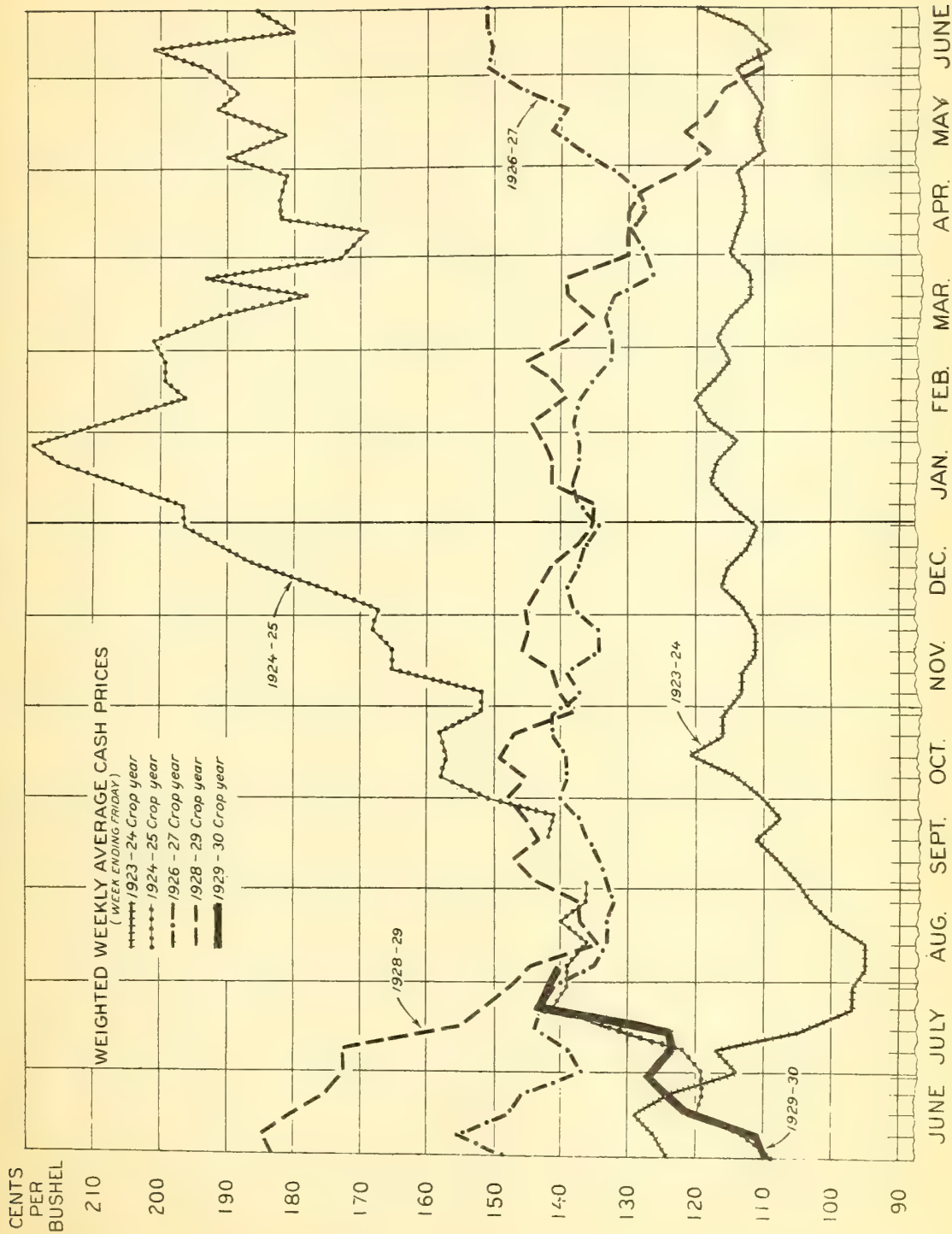


# WHEAT: PRICE OF No. 2 AMBER DURUM AT MINNEAPOLIS





# WHEAT: PRICE OF No. 2 RED WINTER AT ST. LOUIS

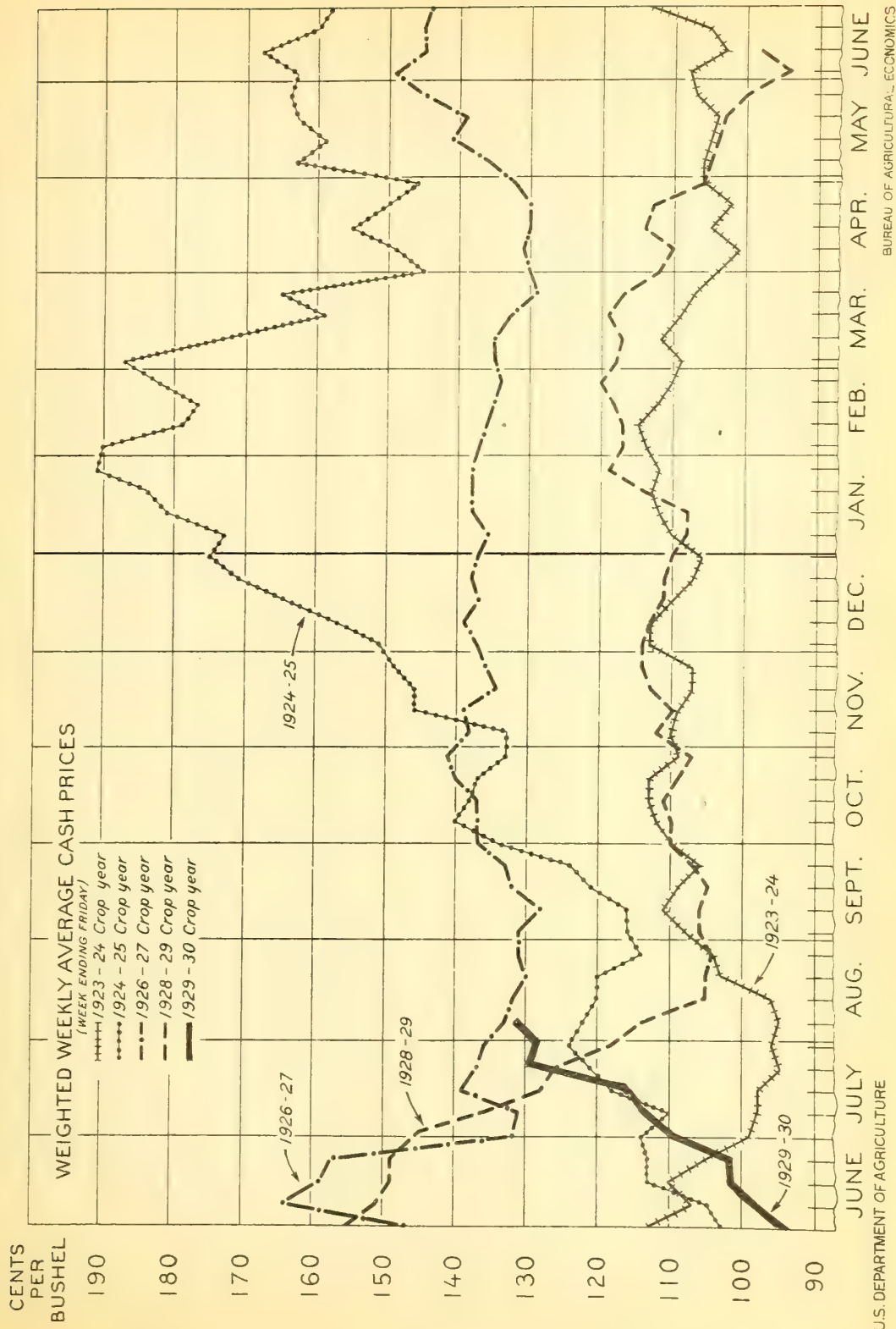


U.S. DEPARTMENT OF AGRICULTURE

BUREAU OF AGRICULTURAL ECONOMICS



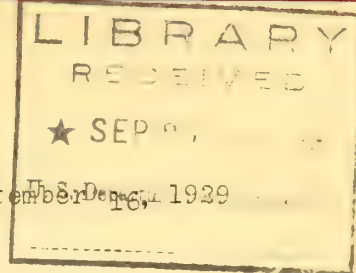
# WHEAT: PRICE OF NO.2 HARD WINTER AT KANSAS CITY







UNITED STATES DEPARTMENT OF AGRICULTURE  
Bureau of Agricultural Economics  
Washington



F.S.  
WH-40

September 16, 1929

FOREIGN NEWS ON WHEAT

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WORLD WHEAT CROP AND MARKET PROSPECTS  
To Sept. 12, 1929

The world wheat situation in September has not changed materially from what it was in August. The world's supply for the 1929-30 season appears likely to be about 3,950,000,000 bushels, a reduction of 360,000,000 bushels from last season. Conditions to date indicate that world production will total about 3,400,000,000 bushels, or 500,000,000 bushels less than last year.

The world's production is considerably less than the world consumed last year. With higher prices and better corn crops in southern Europe consumption will be reduced but it seems probable that consumption will exceed production and the carryover at the end of the year will be less than the stocks on hand at the beginning of the year.

It is probable that Europe will take in the season June 30, 1929, to July 1, 1930, nearly as much wheat as in the past season, but the Orient will take considerably less. Larger crops will reduce the demand of France and the south European countries but some of the north European countries will have to buy about as much as they bought last year to meet their food requirements. South and Central American countries will probably take about as much as last year. The Orient, which last year



took large quantities of low priced wheat from Canada, will probably curtail consumption on account of higher prices.

A large carryover of old wheat, mostly in the United States, an early harvesting season, and a continuation of exports in large volume from Argentina have contributed to a temporary depression in wheat markets. Buying in some of the north European markets has slackened on account of accumulations of stocks of old wheat and in the southern European markets on account of new domestic wheat supplies becoming available. The south European exporting countries, however, have continued to sell wheat and the United States has shipped in July and August 13,000,000 bushels more than in the corresponding months of last year.

The demand for wheat from the United States should improve shortly both on account of a reduction in supplies from the Southern Hemisphere countries and increased activity in buying in European markets. Several of the north European countries will have to buy large quantities of wheat and the stocks they now have on hand with their domestic supplies are not sufficient to take them out of the market for a period of any length. Australia has only a small surplus remaining for export in the next three months. Argentina probably can not continue to ship 6,000,000 bushels a week through the next three months. With a short crop in Canada exports from that country will move at a much lower rate than last year.

In the United States the pressure of the movement of new wheat from the farm to market has probably reached the turning point except possibly in the spring wheat markets. Receipts are declining. Cash



prices, which have declined under the pressure of heavy marketing, are likely to improve as the marketings slow up.

The world wheat market situation appears to be quite similar to what it was in September, 1924, with some shift in the location of supplies. The movement of prices to date has been quite similar to that of the corresponding period in that season. While the course of prices through the remainder of the season may not correspond exactly with the course of prices in the 1924-25 season, the situation now seems to be such that a similar movement for the remainder of the season may be expected. Larger supplies in Europe, however, may prevent prices from rising as high or as rapidly through the fall months as in 1924.





## WHEAT: World supply, price and disappearance

Year	Production						All other <u>a/</u>
	United States	Canada	Argentina	Australia	Europe <sup>2/</sup>		
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	
1923-24	797	474	248	125	1,257	650	
1924-25	864	262	191	165	1,051	610	
1925-26	676	395	191	115	1,391	667	
1926-27	831	407	221	161	1,205	595	
1927-28	878	480	239	117	1,262	677	
1928-29	902	567	507	159	1,413	552	
1929-30 <sup>b/</sup>	786	294	<sup>c/</sup> (230)	(105)	1,370	615	
	World production <u>d/</u>	Shipments from Russia	Stocks accounted for July 1	Total supply	Total disappearance	Average price per bushel British parcels	
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Cents	
1923-24	3,551	21	305	3,877	3,528	121	
1924-25	3,143	1	349	3,493	3,202	173	
1925-26	3,435	27	291	3,753	3,479	170	
1926-27	3,420	49	274	3,743	3,396	164	
1927-28	3,633	5	347	4,005	3,584	134	
1928-29	3,900	0	421	4,321	3,764	128	
1929-30	3,400	0	557	3,957			

<sup>a/</sup> Excludes Russia.<sup>b/</sup> Preliminary.<sup>c/</sup> Average yield 1919-1928 applied to 1929-30 acreage.<sup>d/</sup> Excludes Russia and China.



### World production and crop conditions

Forecasts and estimates of production in 30 countries to date indicate a production of about 2,865,000,000 bushels, or 381,000,000 bushels less than was produced in the same countries last year when these countries produced 83 per cent of the world's crop outside of Russia and China. Weather and condition reports to date indicate a possible reduction of 125,000,000 bushels in the Southern Hemisphere crops.

The September spring wheat forecast of the Crop Reporting Board of the United States indicates a production of 786 million bushels in the United States, a reduction of 116 million bushels from the crop harvested last year. This reduction is mainly in spring wheat including durum, which is 97 million bushels less than last year.

The Canadian official report as of September 1 indicates a production of 22,000,000 bushels of winter wheat and 272,000,000 bushels of spring wheat making a total of 294,000,000 bushels, a reduction of 273,000,000 bushels from the crop harvested last year.

The official report confirms the earlier forecast of the Statistician of the Canadian Wheat Pool who announced for release September 7 an estimate of 272,000,000 bushels produced in the Prairie Provinces. According to Mr. Cairns, the crops now being harvested by provinces in comparison with production last year are as follows:

	1928	1929
	<u>Million bushels</u>	<u>Million bushels</u>
Manitoba .....	47	32
Saskatchewan .....	316	156
Alberta .....	162	84

These estimates are in line with yields calculated from weather reports. Readers of Foreign News on Wheat will recall that an analysis of weather conditions published in the June issue indicated that with average conditions for the remainder of the season the yield per acre in Canada would be 15 to 16 bushels, and assuming an area of 24,500,000 acres the crop would be about 360,000,000 to 400,000,000 bushels. This calculation was made in May on the basis of weather conditions through April. The area as now reported is 25,251,000 acres. Conditions have continued to be unfavorable for the crop and considerably below average. Last month we indicated that the Canadian crop would probably be about 300,000,000 bushels, which is only 7,000,000 bushels in excess of the September official estimate. An analysis of weather conditions to date indicates a crop within a range of 290,000,000 to 330,000,000 bushels. The official forecast is still subject to revision and the actual out-turn of the crop will not be definitely known until the end of the marketing season.



Consul Heintzleman of Winnipeg reports as of August 31 that the harvest is making good progress. The cutting of wheat is far advanced in all the provinces and threshing is in progress. Combines are in fairly general use throughout the three provinces.

There is a fairly good yield on the summer fallow a/ and new breaking, but very poor on stubble. The grading of the wheat is reported to be better than was expected, the bulk of it thus far grading No. 2 Northern to No. 4. Much of the wheat is shriveled but appears to be high in protein. Consul Heintzleman quotes the western general manager of the Lake of the Woods Milling Company, Winnipeg, as follows:

"The crop as a whole is much stronger than for the last few years. Results of our protein tests to date are shown in comparison with average of the past three years:

	1926	1927	1928	1929
Manitoba	11.4	11.2	12.3	13.3
Saskatchewan	13.6	12.3	12.8	14.8
Alberta	15.5	11.8	12.0	15.2

"These figures give an average of two per cent higher protein on this crop over last year, which is a desirable feature, especially from viewpoint of the baker.

"Milling quality of new wheat from Manitoba has so far been good, but from Saskatchewan and Alberta only fair. Most of the Manitoba samples are plump and well filled, and give good returns in flour yields.

"On the other hand, Saskatchewan and Alberta samples are nearly all lean, showing very decidedly the effects of drought and excessive heat.

"Baking results from new samples have been excellent. Loaf volume is larger than last year, due to effect of higher gluten content.

"Color of flour and bread slightly creamy, but satisfactory for new wheat. Absorption and bread yield give promise of being superior to last year."





Hence it appears that this year's Canadian crop is likely to grade higher and be more valuable per bushels than last year's crop.

### Argentina

The Argentine crop is still somewhat uncertain. Drought and relatively high prices for corn have checked expansion and reduced the wheat area. The area seeded is reported as being officially estimated at 19,027,000 acres, a reduction of 9 per cent. Droughty conditions have continued and apparently subsoil moisture is scarce, as it was in Canada in the spring. The precipitation reported to the United States Weather Bureau in August and the first of September was very scant, amounting to only two-tenths of an inch in the north and three-tenths of an inch in the south in the six weeks ending September 9, which is only about a third of the average for the period. Total rainfall since the first of October has been deficient also. In the Northern zone from October through July it was between  $2/3$  and  $3/4$  of normal. Temperatures during August and early September were generally above normal, which in the absence of rainfall is also detrimental to the crop. With favorable conditions for the remainder of the season it seems doubtful that yields could be better than average, which in the past ten years has been 12 bushels per acre. Average yields upon the acreage reported would produce a crop of only about 230,000,000 bushels, as compared with a crop of probably over 300,000,000 bushels in the past season.

The actual outturn of last year's Argentine crop is still somewhat uncertain. Some time ago the crop was officially estimated at the equivalent of 307,000,000 bushels. Recently it was reported that the crop is officially estimated at about 282,000,000 bushels. Shipments from Argentina, January 1 through August have totaled about 196,000,000 bushels. Assuming that the domestic consumption for seed, feed and food amounts to about 80,000,000 bushels, we have accounted for 276,000,000 bushels to date and Argentina is still shipping at the rate of about 6,000,000 bushels per week. It seems reasonable to assume, therefore, that the crop amounted to at least 300,000,000 bushels. For the present we are continuing to use the 307,000,000 bushel figure as the nearest approximation to the probable outturn of the Argentine crop last year. Using this figure and assuming an average yield for the present season would indicate a reduction of about 75,000,000 bushels



AUSTRALIA

The Australian wheat crop is still suffering from droughty conditions in the eastern States. In the second week of August these States received some rain which was beneficial. But a cable from Sydney as of September 10 states that August rains were totally insufficient to afford subsoil moisture which the crop urgently needs. Our correspondent estimates the Commonwealth crop on the basis of present conditions at 105,000,000 bushels. Last year the Commonwealth produced about 160,000,000 bushels. The Australian production by States was as follows:

	<u>Million bushels</u>
New South Wales .....	50
Victoria .....	46
Western Australia a/..	34
South Australia .....	30

a/ Recently revised from 32 to 34 million.

The wheat growing area of Western Australia has had ample rainfall to provide subsoil moisture for the seed bed and the crop in this State looks good and is in position to survive a fairly dry growing season. This territory has seeded an area 10 per cent greater than last year, making a total of about 3,500,000 acres for grain and it is reasonable to expect a production of 35,000,000 to 40,000,000 bushels. Drought in September and hot dry winds in September or October might, however, reduce yields.

Rainfall in the eastern States has been considerably below normal in the wheat growing areas. In South Australia, Victoria and New South Wales the area seeded probably has been reduced from about 11,000,000 acres in 1928 to 10,000,000 acres. Our correspondent believes that scarcity of subsoil moisture has already resulted in an abandonment of about 1,000,000 acres reducing the effective grain producing area to about 9,000,000 acres. He also believes that it is now too late for even good general rains to repair the damage. Germination has been indifferent and stooling generally bad. Some areas have been grazed. Under the most favorable conditions our correspondent believes that the eastern wheat States of Australia can produce only about half the quantity returned last year.

Apparently Australia has only a very small quantity of wheat on hand for export during the remainder of the season and for carryover at the end of the season. From an exportable surplus of 100,000,000 to 110,000,000 bushels Australia has shipped to August 31 about 92,000,000 bushels, leaving at the most only about 18,000,000 bushels for export in the four months, September - December, and for carryover into the new year beginning January 1. In the past month weekly shipments have averaged a



little over 1,000,000 bushels. With prospects of a short crop it is doubtful that this average of shipments will be maintained through the remainder of the season as there is likely to be a tendency to hold on to some of the wheat for domestic consumption or to supply usual export demands in the coming season.

Wheat growers in the United States may be interested in some notes relative to the cost of producing wheat in Australia. The Pastoral Review has from time to time published estimates of the cost of production of wheat in Australia which have shown a range of from about 109.5 cents per bushel to 194.7 cents per bushel. The variation has been due chiefly to the value of the land farmed and the yield produced. In the July, 1929 issue are published the following estimates as prepared recently by the Horsham (Victoria) Agricultural Society which had appointed a special committee to ascertain production costs on the Wimmera plains, probably the most productive wheat district in Australia. For the purpose of the computation a farm of 640 acres was taken, where a system of two year rotation (bare fallow-wheat) is followed. The farm is valued at \$107 an acre. Six hundred acres are in cultivation regularly, 300 being under fallow, 260 sown with wheat, and 40 with oats, the average yield being 27 bushels wheat, and  $2\frac{1}{2}$  tons hay per acre. After adding the farmer's own wages at the rate of \$24.23 per week, the cost is shown to approximate 129.27 cents a bushel delivered at the railway yards 10 miles away. If wages are not charged the cost is about 113.55 cents a bushel.

The practical value of the estimate may be gauged when it is mentioned that an individual farmer, also in the Wimmera, but working cheaper land, has prepared a balance-sheet which shows he can produce wheat at 81.11 cents a bushel in a normal season. Still another man, this time in Riverina, on land that costs \$68.13 per acre, is able to grow the crop at a cost of 66.91 cents a bushel. The last mentioned adopts the most scientific methods of cultivation, and obtains an average yield of 26 bushels, an exceptionally high return for Riverina. (Pastoral Review, July 16, 1929)

#### The demand for wheat from surplus producing countries

The European demand for overseas wheat probably will be about as good as it has been in the past season. The takings are likely to be less than last year but at higher prices. Forecasts and estimates to date indicate that European production outside of Russia will be about 1,370,000,000 bushels, or only about 40,000,000 bushels less than last year. The corn crop of southern Europe is much better than last year. The rye crop in countries reporting to date is also a little larger than last year. France and several of the southern European countries are harvesting larger wheat crops. Larger supplies of corn in the Balkan countries will free more of the wheat for export. Larger supplies of corn and wheat in Italy, Spain and France will reduce the import requirements of those countries.







But Italy will still be in the market for durum wheat from the United States and Canada and some other hard wheats to meet the demand for hard wheat flours. France will also purchase hard wheats to mix with her own and to meet special demands for flour from this type of wheat. The demands of these countries probably will not be reduced in proportion to increases in crops. Many of the north European countries which import large quantities have shorter crops and will probably buy about as much wheat as last year. The United Kingdom customarily produces but a very small percentage of her bread supplies and is this year harvesting a small crop. Germany has smaller wheat and rye crops and may import more wheat than last year. The same may be said of Belgium and the Netherlands. Increased imports by these countries will largely offset reductions in the imports by the southern countries.

The great expansion in consumption in the past season was not in Europe but in the Orient. China and Japan imported large quantities of wheat and flour, partly because it was cheap. Consul Kemper cables from Tokyo, September 6, that mill stocks are larger than normal, export demand fair, but milling activity below the high level of last year. Agricultural Commissioner Nyhus cables from Shanghai, September 11, that the arrivals of domestic wheat for Shanghai mills continue to be liberal and somewhat larger than anticipated early in the season. He believes that local supplies are sufficient to keep the mills operating until in January or February. Prices are too low for the sale of American wheat in the Shanghai markets. Stocks of flour are reported to be large and the flour market is steady but not very active. The demand from North China is only fair, the Nanking Government having embargoed exports of flour to the port of Darien, presumably to prevent flour supplies from reaching the Russians in Siberia. Commissioner Nyhus has previously reported large stocks of flour at Tientsin. These reports indicate a weak market in the Orient during the next few months. The domestic supplies of wheat and the present stocks of flour, however, will not last through the season and the Orient probably will be in the market again for considerable quantities of wheat in the latter half of the season, but will not take as much as in the past season.



WHEAT, INCLUDING FLOUR: Net exports from principal exporting countries, years beginning July 1, 1924-25 to 1929-30

Country from which exported	:1924-25	:1925-26	:1926-27	:1927-28	:1928-29: prel.	Preliminary estimate 1929-30
	: Million bushels	: Million bushels	: Million bushels	: Million bushels	: Million bushels	: Million bushels
United States ..	235	92	206	191	142	225-275
Canada .....	194	320	305	305	422	250-275
Russia .....	0	27	49	5	a/ b/	0- 5
British India ..	45	7	9	13	b/ - 22	0- 5
Hungary .....	15	19	21	22	20	10- 15
Rumania .....	4	8	9	8	2	10- 15
Bulgaria .....	b/c/ -2	4	2	2	d/ (1)	0- 2
Yugoslavia .....	9	12	10	1	8	20- 35
Algeria .....	b/ -1	5	b/ -1	5	4	5- 10
Argentina .....	125	100	138	178	216	150-175
Australia .....	124	77	97	73	112	60- 76
Total all coun. listed ..	768	671	645	803	905	730-890

a/ Less than .01 million bushels. b/ Net imports. c/ Year ended July 31. d/ Rough approximation.

WHEAT, INCLUDING FLOUR: Net imports into European importing countries, years beginning July 1, 1924-25 to 1928-29

Country	:1924-25	:1925-26	:1926-27	:1927-28	:1928-29: prel.	Prel. est. 12 months 1929-30
	: Million bushels	: Million bushels	: Million bushels	: Million bushels	: Million bushels	: Million bushels
United Kingdom ..	216	188	217	211	204	210-225
Italy .....	93	64	87	87	91	55- 70
Germany .....	71	56	94	92	68	80- 90
France .....	41	34	53	54	51	10- 20
Belgium .....	39	39	40	42	42	42- 45
Netherlands .....	26	27	28	31	29	30- 33
Czechoslovakia ..	23	19	21	21	17	13- 17
Greece .....	22	a/ 19	20	b/ (19)	b/ (22)	20- 24
Irish Free State:	19	18	19	19	18	18- 19
Austria .....	16	15	17	16	b/ (14)	14- 17
Switzerland .....	14	14	17	18	15	16- 18
Sweden .....	11	6	6	9	8	7- 9
Norway .....	5	6	6	7	9	7- 9
Denmark .....	6	6	7	10	17	8- 12
Finland .....	4	5	5	6	5	5- 7
Poland .....	14	c/ 3	7	8	4	3- 9
Spain .....	c/ -1	1	1	4	15	5- 7
Estonia .....	1	1	1	1	b/ (1)	1- 1
Latvia .....	2	2	2	2	b/ (3)	1- 3
Total above						
Eur. coun. ....	625	522	648	657	633	545-635

a/ Year ended July 31. b/ Rough approximation. c/ Net export.



Prices

Wheat prices declined in August. The average price of all classes and grades at six markets in the United States declined from 135 cents per bushel the week ending August 2 to 124 cents per bushel in the following week, rose to 128 cents and then declined again toward the end of the month. Chicago futures dropped from 147 cents on August 1 to 131 cents on August 22 and then turned upward. There were similar price changes in foreign markets. September futures at Buenos Aires were 131 cents per bushel on August 1 and 115 cents on August 29. October futures at Liverpool dropped from 155 cents on August 1 to 140 cents on August 29. The present depression in wheat prices in world markets generally is due to heavy marketings of new wheat in the United States, continued large exports from Argentina and early harvests in many countries.

In the United States large stocks of old wheat on hand, early harvests and the prompt marketing of new wheat have resulted in congested terminals. Heavy marketings and scarcity of storage space have resulted in very low prices for spot cash wheat. For example, on September 10 No. 2 hard winter wheat at Chicago was quoted at 129 cents per bushel. On the same date September futures closed at 133-3/4 cents and May futures at 150-1/8 cents per bushel. This wide spread between cash wheat and futures is undoubtedly due to a surplus of new wheat to meet immediate demands, while the higher prices for futures indicate an expectation of higher prices later in the season.

The expected reduction in the world supplies of wheat on the average would raise world market price levels 40 to 45 cents over the average prices realized in the past season. This would indicate that the average prices paid for British parcels, for example, would be increased from 128 to 170 cents per bushel. Increases in the prices at other markets would depend upon the relation of the conditions in the markets to the British market. The supply and price situation in this season to date is quite similar to the conditions in 1924. It now seems likely that the course of prices for the remainder of the season may be somewhat similar to that of 1924-25 marketing season. It is not to be expected that prices will follow exactly the same course. The rise during the next few months may not be quite as rapid as in 1924. Should the Southern Hemisphere crop turn out to be larger than now expected, prices may not reach as high a level as in the winter of 1924-25 and the course of prices in the latter part of the season will depend upon prospects for the 1930 crop.





## WHEAT: Closing prices of July and September futures

Date	Chicago	Kansas City	Minneapolis	Winnipeg	Liverpool	Buenos Aires a/
	1928	1929	1928	1929	1928	1929
	Cents	Cents	Cents	Cents	Cents	Cents
July futures						
July 3:	136:	120:	123:	113:	136:	122:
11:	131:	122:	125:	116:	132:	125:
September futures						
18:	128:	146:	120:	140:	126:	148:c/127:c/164:c/146:c/156:
25:	124:	146:	116:	140:	121:	149:c/121:c/168:c/138:c/152:
Aug 1:	120:	147:	112:	141:	117:	149:c/121:c/171:c/138:c/155:
8:	113:	135:	105:	130:	110:	136:c/114:c/154:c/134:c/144:
15:	113:	135:	106:	131:	111:	137:c/113:c/157:c/130:c/144:
22:	112:	131:	105:	126:	110:	133:c/114:c/154:c/130:c/140:
29:	110:	132:	105:	127:	109:	134:c/111:c/154:c/131:c/140:c/114:
Sept 5:	110:	132:	103:	127:	108:	134:c/111:c/152:c/130:c/142:c/114:
December futures						
12:	113:	144:	107:	137:	110:	145:
19:	115:	:	109:	:	112:	:
26:	118:	:	112:	:	115:	:
Oct 3:	118:	:	112:	:	114:	:

a/ Prices are of day previous to date of other market prices.

b/ August future.

c/ October future.

## WHEAT: Weighted average cash prices at stated markets

Date	All classes and grades	No. 2 hard winter	No. 1 d.k. spring	No. 2 amber durum	No. 2 red winter	Western white
	six markets	Kansas City	Minneapolis	Minneapolis	St. Louis	Seattle a/
	1928	1929	1928	1929	1928	1929
	Cents	Cents	Cents	Cents	Cents	Cents
July 5:	137:	115:	136:	113:	153:	137:
12:	132:	119:	128:	117:	149:	141:
19:	129:	134:	126:	130:	146:	159:
26:	122:	133:	118:	129:	138:	155:
Aug 2:	118:	135:	114:	131:	141:	156:
9:	108:	124:	105:	121:	127:	139:
16:	108:	125:	105:	124:	125:	139:
23:	108:	128:	104:	122:	123:	141:
30:	110:	123:	106:	120:	122:	134:
Sept 6:	110:	128:	106:	125:	125:	137:
13:	107:	:	105:	:	123:	:
20:	108:	:	107:	:	126:	:
27:	111:	:	110:	:	130:	:
	:	:	:	:	:	:

a/ Weekly average of daily cash quotations, basis No. 1 sacked 30 days delivery.



PROTEIN PREMIUMS

The hard wheats of the United States, as well as Canada, have a high percentage of protein this year. Inspections at Kansas City for the week ended September 6 averaged 12.92 per cent protein and at Omaha, 12.55 per cent. These percentages are higher than last year. Bozeman, Montana reports that 1,573 samples of spring wheat tested to August 31 averaged 15.7 per cent and 1,010 cars at Grand Forks, North Dakota averaged 14.3 per cent. Thus, it is evident that the protein content of the hard winter wheats is moderately high, while the protein content of spring wheat in North Dakota and Montana is higher than the average of any recent year. Tests made in Kansas in 1926 averaged 14.3 per cent and in 1924, 12 per cent. The tests in Montana in 1926 averaged 14.05 per cent and in North Dakota, 13.20 per cent. In 1926 protein premiums declined to a low level in November and remained low until in the latter part of the season.

Premiums paid for protein in wheat have declined rapidly both at Minneapolis and Kansas City since wheat from this year's crop began to arrive at terminal markets, until at the present time premiums are being paid only for wheat running quite high in protein. At Minneapolis, heavy-weight wheat testing lower in protein seems to be in greater demand at present than higher protein wheat that is light in weight. The following table shows how average premiums over nearest future closing prices have been running on No. 1 dark northern spring at Minneapolis:

Date	12 per cent protein	13 per cent protein	14 per cent protein	15 per cent protein
	Cents	Cents	Cents	Cents
July 1 ...	4.0	13.0	25.0	
8 ...	4.0	12.5	22.0	
15 ...	4.0	12.5	21.0	
22 <u>a/</u> ...	1.5	8.0	14.0	
29 ...	-0.5	6.5	12.5	
Aug 5 ...	-1.0	4.0	8.0	
12 ...	-1.5	3.0	5.0	
19 ...	-2.5	1.5	4.0	8.0
26 ...	-5.0	-1.0	1.0	2.0
Sept 3 ...	-3.0	-0.5	1.5	2.5
7 ...		0.0	1.5	2.5
<u>a/</u> Over September futures.				

Protein premiums at Kansas City have declined greatly also and are very small at present. This is shown in the following table on premiums paid since July 1, 1929, for No. 2 hard winter wheat of 12.25 to 12.45 and 12.75 to 12.95 per cent protein over the price of 11.25 to 11.45 per cent protein.



Week ended	12.25 to 12.45 per cent protein	12.75 to 12.95 per cent protein
	Cents	Cents
July 6 .....	4.2	7.0
13 .....	4.3	8.4
20 .....	2.0	6.5
27 .....	1.9	5.3
Aug 3 .....	1.4	3.8
10 .....	1.5	2.6
17 .....	1.6	3.9
24 .....	1.4	2.0
31 .....	0.8	1.5
Sept 7 .....	0.8	--

In the past few seasons for which we have data low premiums early in the season have been followed by some improvement or higher premiums in the last few months of the season. Since the spring wheat crop is relatively short it seems likely that supplies will be reduced toward the end of the year and high protein wheats may be sufficiently in demand to bring relatively good premiums.

The Continental European wheat situation during August 1929 a/

Business on the Continental European wheat markets in August was considerably smaller than in July when important activity was registered practically everywhere. Prices declined in sympathy with overseas quotations. Considerable export sales of wheat took place in the Danubian export markets, the bulk of which was sold down the Danube to Western Europe. This export business remained active even at times of extreme dullness elsewhere. The trade thinks that the main influence in the price decline on the Continent through August, despite continuance of unfavorable crop reports from important overseas producing regions, was the world stocks situation and the pressure of the North American winter wheat crop. The first few days in September there was an increase in turnover in central and western Europe, while the Danube export markets were quiet.

Sales of flour were also restricted and prices declined. Stocks of old crop wheat in the Danubian surplus countries have been greatly reduced through heavy shipments in recent weeks. In central Europe they are also rather low, while France still has about one months supplies on hand on September 1.

a/ By Acting Agricultural Commissioner Owen L. Dawson, Berlin, Germany, August 29, 1929.





Rye prices also declined and business was not large. Offerings of new crop rye in central Europe became heavy during August and depressed the market considerably. In Germany the Getreidehandels-Gesellschaft a/ had to make stock purchases of rye to prevent further price declines. Prospects for the European rye crop are still very good and contribute to the weakness of the rye position. The same is true of the somewhat important old crop stocks in central Europe.

European buyers of feed grains were also rather reserved during August, following the good July business. Despite reports from the United States, where both corn and barley crops are considerably below last year, prices weakened generally, due to the stocks of corn in Argentina, prospects for a good corn crop in south-eastern Europe, and heavy Danube shipments of barley where production this year is very much above last year. The market tendency for oats was also weak. Offerings of new crop barley and oats in central Europe were already considerable.

Reports on the outturn of the wheat harvest in Continental Europe mostly confirm those available at the end of July, except for France where opinions, though still divided as to the extent of a crop increase over 1928, now seem to agree on the statement that 1929 wheat production is considerably above 1928. However, as France is by far the largest wheat producer on the continent, the change in the estimate for France makes it probable that the Continent as a whole harvested quantities more nearly approaching those of last year than was thought earlier in the season. Nevertheless the crop will be about 3 per cent below 1928, chiefly owing to the heavy decrease in the Danube Basin which amounts to about 70,000,000 bushels of wheat. These 70,000,000 bushels will more than offset any possible increase of the French wheat crop over last year. Regarding other countries, it should be noted that increases in the Italian, Spanish, Portuguese and Polish wheat crops are nearly offset by decreases in the remaining continental deficit countries of France.

These estimates show that the wheat crop on the Continent will be about 3 per cent below 1928, or about 6 per cent above the average 1926/28. As to the distribution of the crop it is important to note that, while the surplus regions crop is about 20 per cent below 1928, the deficit countries have a crop of about 3 per cent more than last year. This distribution is somewhat favorable to increased consumption.

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a/ The Getreidehandels-Gesellschaft is a government supported organization with the aim of intervening on the German grain market if the price situation becomes critical. It was founded in 1926 when the rye crisis 1925/26 urgently demanded some relief. The administration of this organization, which presents itself as a company dealing in grain, consists of representatives of semi-official agricultural organizations and other groups concerned with grain production, trade and consumption.



The quality of the wheat crop is not definitely known as yet, but it is believed that it will not be much below the satisfactory outturn last year. The crops of Rumania and Hungary are officially reported to be of good quality or about the same as last year. Also rye is thought to be quite good, and as far as quality is concerned there will be no inducement to farmers to feed bread grains to any unusual extent. Feeding of bread grains last year was quite important as a result of the low bread grain prices compared with the price of feedstuffs; this is chiefly true for rye, the price of which became more and more unfavorable compared with wheat, as the season advanced. As far as prices are concerned there will also be some inducement to feed rye this year, in view of the large spread between wheat and rye prices, the latter being now below the quotations at the same time last year and below the average for 1928/29, while wheat is considerably above.

Under present circumstances on the domestic grain market Russia will be out of consideration for exporting wheat this year.

#### Germany

The wheat market in Germany held up well until the end of July but since then has continually weakened with a very quiet tone prevailing throughout August. Flour mills have bought only limited quantities for current needs. During the first part of July imports of wheat were large, which resulted in increased stocks but which did not reach a high level. Domestic offers were not large until about August 20 when deliveries increased. The decline in German prices of spot wheat from \$1.72 per bushel on August 1 to \$1.53 on August 26 or near the 1928 level was quite in sympathy with the decreased price moment in the United States except for the temporary rise in United States wheat prices in mid-August. The effect of late reports showing a wheat supply in Germany materially below last year will at least be a steadying factor on the market which declined in September of last year.

Prices for rye have also experienced a considerable decline since the beginning of August. The price for domestic rye in Berlin was \$1.16 per bushel per metric ton on August 26 as compared with \$1.24 per bushel on August 1 and about \$1.27 per bushel at the end of August 1928. Offers of domestic rye have increased considerably recently and prices would have decreased more had not the Getreidehandels-Gesellschaft bought considerable quantities to stabilize the price level. The outlook for rye prices remains rather unfavorable owing to the large stocks from the old crop, a large new crop in Germany and a record crop in Poland. The comparatively low price level will be a strong inducement for feeding rye.



The following table shows the development of domestic wheat and rye prices:

GERMANY: Price per bushel of domestic wheat and rye, 1929

Date of quotation	Wheat of at least 58.7 pounds per bushel			Rye of at least 55 pounds per bushel	
	Hamburg <u>a/</u>	Breslau <u>a/</u>	Berlin <u>b/</u>	Berlin <u>b/</u>	
	Cents	Cents	Cents	Cents	
July 17	182	163	169	123	
July 24	181	162	167	116	
July 31	182	166	171	121	
Aug 7	178	163	166	118	
Aug 14	180	159	160	114	
Aug 21	174	158	157	117	
Aug 28	165	152	147	111	
Sept 4	165			119	
Sept 11	160			114	

a/ Wheat of any German district.

b/ "Maerkischer" grain.

PRICES OF DOMESTIC WHEAT AND RYE IN GERMANY

Cents per bushel

	<u>July 17</u>	<u>July 24</u>	<u>July 31</u>	<u>Aug 7</u>	<u>Aug 14</u>	<u>Aug 21</u>	<u>Aug 28</u>	<u>Sept 4</u>	<u>Sept 11</u>
Hamburg, Wheat	182	181	182	178	180	174	165	165	160
Breslau, Wheat	163	162	166	163	159	158	152		
Berlin, Wheat	169	167	171	166	160	157	147		
Berlin, Rye	123	116	121	118	114	117	111	119	114

Wheat imports in July were very large, amounting to 16,002,000 bushels, compared with 6,913,000 bushels in June 1929 and 7,680,000 bushels in July 1928. This heavy importation took place chiefly at the beginning of July before the raise in wheat duties became effective on July 10. August imports are expected to be somewhat smaller than in July. Stocks of the trade and the flour mills have probably increased as a consequence of the large July imports, but are not unusually large as is indicated by the visible stock figures for Berlin. The imports of rye in July were also comparatively large, amounting to 1,640,000 bushels in July 1929, compared with 398,000 bushels in June 1929 and 1,882,000 in July 1928.

Farm deliveries were not especially large during the period under review, but recently increased for both wheat and rye. Farm stocks of old rye are still reported to be large.







According to the official preliminary crop estimate as of beginning July the production of winter wheat will amount to 109,000,000 bushels compared with the final estimate of 127,000,000 bushels in 1928. The corresponding figures for winter rye are 312,000,000 bushels and 331,000,000 bushels. The official Prussian figures as of beginning of August indicate that the July estimate has not changed materially. The publication of the August figures for the whole of Germany is expected in the near future.

#### France

Since the beginning of August wheat prices have declined under the pressure of favorable domestic crop reports and large farm offers. The trade and flour mills generally showed a reluctance to make extensive commitments. Marketings by farmers, however, are soon expected to show some slackening as the larger part of the crop has been threshed. Reports on the wheat crop show a wide range but it is now generally conceded as one of the best since the war. This upward revision in the estimates has only been warranted during the past month as there were many uncertain reports early in July. The official report on the French wheat crop of around 320,000,000 bushels just issued should be regarded as a minimum. Our opinion that the crop is somewhat higher than this and near the figure for the 1925 crop is based on an extensive review of the wide range of reports and on recent personal investigation. Apparently the amount of grain was much greater than usual according to the straw and this resulted in a considerably better outturn than earlier expected. The crop is only average in the southeast and east, but elsewhere is generally above average, particularly in the center and northwest. The weather has been very favorable to harvesting the crop and the quality compares well with the quality of last year.

Stocks on hand are regarded by the trade as sufficient for about one month's consumption. On the whole it appears that this year's supply is near the amount required for domestic consumption but there is still a need for overseas wheat for mixing, although requirements are much reduced below last year. Although the country will be a net importer of wheat, from the present indications on the supply situation some of the domestic wheat will be available for export. It seems unlikely, however, that any large amount will find an outlet and as a result a larger amount of wheat will be consumed at home or carried over into the next crop year.

#### Italy

In Italy this year's wheat crop is now estimated at about 245,-000,000 bushels as compared with 228,596,000 bushels last year. The market has been rather independent from price fluctuations in the world market. Imported wheat has been of comparatively small importance the past month as domestic wheat was offered in large quantities. The above estimate may be somewhat high according to earlier reports on the crop but it appears that the new crop will exceed last year's outturn. The corn crop is also better which is a factor of some importance in holding down import requirements of wheat.



Holland and Belgium

Wheat markets in Holland and Belgium have been quiet throughout August and transactions much smaller than in the preceding month. There was but a limited demand from domestic flour mills and almost no demand from German buyers. Port stocks which were very small in July owing to large German purchases of spot grain have again tended to increase. The wheat crop will be considerably smaller than last year in both countries.

Poland

The wheat market in Poland during the past month remained relatively resistant in spite of some slight price declines. Stocks from the old crop are very small and marketings of the new crop have not yet attained large proportions. The rye market remained depressed with inland demand restricted and poor prospects for export business.

According to a recent official crop estimate the wheat and rye crop will turn out larger than last year and much larger than the average for the last five years. It is to be noted that the crop in the adjacent territories of Germany and Czechoslovakia are smaller than last year which throws some doubt on the high estimate of the Polish crop.

Danube Basin

The Danubian surplus countries as well as the Viennese trade registered a rather active export business for Hungarian and Yugoslavian new crop wheat. Most of the sales were done with western and northern Europe while central European deficit countries were reserved. Export business was particularly active during the first half of the month. Price declines were less marked than elsewhere, and prices for Danube wheat compared very favorably with competing oversea qualities. Reports from Yugoslavia indicated that the sales had been so numerous recently that much of the new crop appears already to be sold, and old crop stocks have been greatly reduced through recent shipments. Hungary indicates considerable pressure of heavy marketings of wheat by the farmers who are forced to sell their crop early in order to meet various obligations.

The combined Hungarian, Yugoslavian, Rumanian and Bulgarian wheat crops this year will about equal the five year average 1924/28, but this means a production of fully 70,000,000 bushels of wheat smaller than last year. Austria and Czechoslovakia will also have wheat crops somewhat below last year.



Production of corn and barley, however, will be far larger than last year in the surplus countries of the Danube Basin. As a result of recent rains the prospect for an unusually good corn crop continues. Barley production in Rumania is nearly twice as large as last year. The trade expects considerable business in feed grains this year with western Europe.

#### Soviet Russia

This year's procurings of all grains through August have been well above last year, but the procuring of bread grains is less satisfactory, and total bread grain collections for the three months, July to September, may not reach the government plan for that period,

As to the actual outturn of the 1929 crop, reports have been rather vague up to the present, the predominant note being that the gross crop of all grains is somewhat larger than in 1928, when the crop was placed at 73.3 million tons. An early August report indicated that the crop is thought to be about 8 to 9 per cent above that of the previous year, but this figure was not confirmed by other statements and seems somewhat too high, particularly in the face of the recently mentioned deterioration of the crop in the eastern regions, which is probably not offset by improvement in the south.

On the basis of the latest statement of the Chairman of Commissariat of Trade of USSR, it seems that the Russian crop of all grains will be not more than 5 per cent above that of 1928 and is more likely to be only 2 to 3 per cent above. Reports of bread grain production alone are less favorable than those for all grains, so it seems that the situation with respect to bread grains is less favorable, particularly in the face of the yearly increasing population and the necessity to refill Government grain reserves and build new ones.





WHEAT: Production in specified countries, average 1909-1913,  
annual 1926-1929

Countries reported in 1928	Average 1909- 1913	1926	1927	1928	1929, prol.
NORTH AMERICA	1,000 <u>bushels</u>	1,000 <u>bushels</u>	1,000 <u>bushels</u>	1,000 <u>bushels</u>	1,000 <u>bushels</u>
Canada .....	197,119:	407,136:	479,665:	566,726:	293,792
United States .....	690,108:	851,040:	878,374:	902,191:	785,726
Mexico .....	a/ 11,481:	10,333:	11,890:	11,031:	11,492
Total (3) .....	898,708:	1,248,509:	1,369,929:	1,479,948:	1,091,010
England and Wales ..	55,770:	48,683:	53,125:	47,264:	41,813
Netherlands .....	4,976:	5,487:	6,157:	7,336:	3,487
Belgium .....	15,199:	12,801:	16,277:	17,986:	15,995
Luxemburg .....	615:	622:	702:	713:	533
France .....	325,644:	231,767:	276,128:	261,285:	319,851
Spain .....	130,446:	146,599:	144,825:	119,884:	139,793
Italy .....	184,393:	220,644:	195,809:	228,596:	245,000
Switzerland .....	3,314:	4,244:	4,119:	4,270:b/	5,791
Germany .....	131,274:	95,429:	120,522:	141,593:	115,558
Austria, winter ....c/	12,813:	9,001:	11,469:	12,419:	11,559
Czechoslovakia .....	37,879:	34,130:	40,385:	51,499:	48,060
Hungary .....	71,493:	74,909:	76,933:	99,211:	70,698
Yugoslavia .....	62,024:	71,427:	56,568:	103,294:	96,929
Greece .....	d/ 16,275:	12,403:	12,970:	15,676:	16,800
Bulgaria .....	37,823:	36,544:	42,121:	50,691:	37,432
Rumania .....	a/ 158,672:	110,883:	96,734:	115,544:	91,858
Poland .....	63,675:	52,490:	61,093:	59,219:	60,259
Lithuania .....	3,264:	4,180:	5,273:	6,327:	6,283
Finland .....	137:	924:	1,064:	998:	1,036
Malta .....	196:	310:	294:	289:	293
Total (20) .....	1,315,880:	1,173,477:	1,222,568:	1,364,094:	1,329,028
AFRICA					
Morocco .....	(17,000):	16,174:	24,618:	24,746:	28,623
Algeria .....	35,161:	23,551:	28,323:	50,302:	34,024
Tunis .....	6,224:	13,044:	8,267:	12,125:	12,125
Total (3) .....	58,385:	52,769:	61,208:	67,173:	74,772
ASIA					
India .....	351,841:	324,651:	334,992:	288,811:	317,595
Syria and Lebanon ..	(4,000)	13,940:	14,582:	6,490:	11,133
Japan .....	25,088:	30,188:	31,018:	30,812:	31,101
Chosen .....	6,398:	10,517:	9,043:	8,595:	9,963
Total (4) .....	387,827:	379,296:	389,635:	334,708:	369,792
Total above coun- tries (30) .....	2,660,800:	2,854,051:	3,043,340:	3,245,923:	2,864,602
Est. world total, excl. Russia and China .....	3,401,000:	3,420,000:	3,653,000:	3,900,000:	3,400,000

Figures in parenthesis indicate the number of countries included.

a/ Four-year average. b/ Probably includes spelt and maslin. c/ Total.

d/ One year only.



## WHEAT, INCLUDING FLOUR: Shipments from principal exporting countries

Commodity	: Total shipments,:		Shipments,			: Net movement from July		
	: or exports :		week ending			: as far as reported		
	: 1927- :	: 1928 :	: Aug. :	: Aug. :	: Sept. :	: To & in- :	: 1928- :	: 1929- :
	: 28 :	: 29 a/ :	: 24 :	: 31 :	: 7 :	: including :	: 29 :	: 30 :
	: 1,000 :	: 1,000 :	: 1,000 :	: 1,000 :	: 1,000 :	: Date :	: 1,000 :	: 1,000 :
	: bushels :	: bushels :	: bushels :	: bushels :	: bushels :		: bushels :	: bushels :
Canada :	:	:	:	:	:	:	:	:
Shipments, 4 :	:	:	:	:	:	:	:	:
markets b/ :	: 333,335 :	: 458,649 :	: 1,567 :	: 1,780 :	: 1,940 :	: Sept. 7 :	: 77,495 :	: 27,937 :
United States :	: 206,259 :	: 163,670 :	: 5,372 :	: 5,958 :	: 3,309 :	: Sept. 7 :	: 23,737 :	: 36,913 :
Argentina ..... :	: 178,135 :	: 215,729 :	: 6,924 :	: 5,696 :	: 5,106 :	: Sept. 7 :	: 17,182 :	: 47,046 :
Australia ..... :	: 72,962 :	: 112,054 :	: 1,352 :	: 800 :	: 1,704 :	: Sept. 7 :	: 11,204 :	: 12,508 :
Russia ..... :	: 5,408 :	: 8 :	: 0 :	: 0 :	: 0 :	: Sept. 7 :	: 8 :	: 0 :
Danube & Bul. c/ :	: 32,847 :	: 31,000 :	: 160 :	: 184 :	: 120 :	: Sept. 7 :	: 216 :	: 1,080 :
British India .. :	: 14,328 :	: d/-22,367 :	: 24 :	: 192 :	: 0 :	: Sept. 7 :	: 1,040 :	: 354 :
Total ..... :	: 843,274 :	: 958,743 :	: 15,419 :	: 14,610 :	: 12,179 :		: 130,872 :	: 125,838 :
	:	:	:	:	:	:	:	:

Compiled from official and trade sources.

a/ Preliminary.

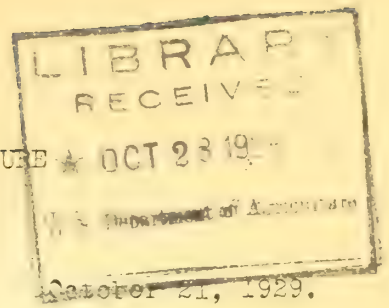
b/ Shipments from Ft. William Port Arthur, Vancouver and Prince Rupert.

c/ Includes Hungary, Yugoslavia, Rumania and Bulgaria.

d/ Net imports.



UNITED STATES DEPARTMENT OF AGRICULTURE  
Bureau of Agricultural Economics  
Washington



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WH-41

FOREIGN NEWS ON WHEAT

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WORLD WHEAT CROP AND MARKET PROSPECTS  
To October 16, 1929

The world wheat situation and outlook in October have not changed materially from what they were in September. The world's crop still appears likely to be about 500 million bushels less than last year and, including carryover, the world's supply seems likely to be about 360 million bushels less than last year.

An outstanding feature of the present situation is the large accumulation of stocks in important central markets. The world's visible supply is probably the largest on record. This is due to a large carryover of old wheat at the beginning of the marketing season, early harvests in many areas and the prompt marketing of crops.

The world trade has not fallen far behind that of corresponding months in other years. Shipments from principal exporting countries from July 1 to October 5 have been only about 20 million bushels behind shipments of the corresponding date last year when they were large. Last year Canada held large stocks and, facing the harvest of a record crop, shipped over 100 million bushels in the three months. Canadian shipments to date have been less than half those of the corresponding period last year, but increases in shipments from Argentina and the Balkan countries have made up for a large



part of the reduction in Canadian shipments. Argentina has shipped 40 million bushels and the Balkan countries 4 million bushels more than last year, while Australia and the United States have been shipping about the same quantities as last year.

Conditions in many of the European wheat markets appear to be similar to conditions in the markets of the United States. Domestic wheat has been marketed early and in large volume. The European surplus producing countries which have smaller crops this year have exported to date considerably more than in the corresponding period of last year. Heavy marketings have depressed domestic prices in many of the importing countries, particularly Italy, France and Germany. France is considering measures for improving the domestic market situation. Germany has increased the requirements as to the proportion of domestic to foreign wheats milled in that country in October. These conditions have reduced the demand for foreign grain and heavier shipments of Danube grain to northern ports, together with large supplies from Argentina, have built up large stocks at ports.

The early marketing of domestic grain in Europe, however, will make way for the using of larger quantities of imported grain in the latter part of the marketing season. The distribution of the wheat crop in Europe is such as to encourage the consumption of wheat. Low domestic prices in many of the countries which have large crops will encourage consumption, and most of these countries will import wheat for mixing, even if they should have a surplus of domestic wheat. Even though the European wheat crop is nearly as large as last year and the corn crop is considerably larger, it seems likely that the deficit countries will import at higher



prices nearly as much wheat as they imported last year.

The large world visible supply, together with congestion at many terminal markets, not only tends to hold down prices in general but also to depress prices of spots and the near futures in relation to the distant futures. A fairly wide spread exists between spot and May prices in all the principal markets of the world. It seems likely that as soon as the rate of the movement of wheat from the farm to terminal markets falls short of the rate of movement from these markets or the consumption of grain the price of spot wheat will rise in relation to the price of the more distant futures.

The visible supply in the United States is now increasing at a very slow rate. It seems probable that the movement of old wheat from Argentina will soon slacken and that exports from the Northern Hemisphere will increase. A slackening of marketings in the United States and Canada, together with an increase in shipments, will relieve congestions at our principal markets and raise the cash prices of wheat. This may also be the signal for a general advance in prices. Large world stocks, however, may prevent or delay any marked advance for some time. It still seems likely, however, that for the season world market prices will be 35 to 40 cents per bushel over the average of the past season when British parcels prices averaged 129 cents per bushel. Prices in the United States to date have averaged about the same as in the 1924-25 season, but owing to the present depression the average for the entire season may not quite equal the average for that season.

### World Production and Crop Conditions

Forecasts and estimates in 31 countries to date indicate a production of 2,896,000,000 bushels, 372 million bushels less than last year when these countries produced 83 per cent of the world's crop outside of Russia and China. Weather conditions to date seem to indicate a yield of about 11 bushels per acre in Argentina, which upon the acreage reported planted would result in a crop of about 215 million bushels compared with 307 millions, the estimated production of last year. Weather conditions in Australia reported to date indicate a crop of about 125 million bushels, compared with 160 millions produced last year. The total of these two Southern Hemisphere crops amounts to 340 million bushels, a reduction of 127 million bushels. Our correspondent indicates a smaller crop in Australia, and some trade reports suggest a smaller figure for Argentina. The outturn of the crop is still subject to weather conditions and may be somewhat more or less than indicated above. It seems likely, however, that world production, outside of Russia and China, for the season will be about 500 million bushels short of last year.

Table 1.- WHEAT: World supply, price and disappearance

Year	Production					
	United States	Canada	Argentina	Australia	Europe <sup>a/</sup>	All other <sup>b/</sup>
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
1923-24	797	474	248	125	1,257	650
1924-25	864	262	191	165	1,058	610
1925-26	676	395	191	115	1,397	667
1926-27	831	407	221	161	1,210	596
1927-28	878	430	239	118	1,268	678
1928-29	902	567	307	160	1,409	555
1929-30 <sup>c/</sup>	732	294	d/ (215)	(125)	1,384	590
	World production <sup>b/</sup>	Shipments from Russia	Stocks accounted for July 1	Total supply	Total disappearance	Average price per bushel British parcels
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Cents
1923-24	3,551	21	305	3,877	3,528	121
1924-25	3,150	1	349	3,500	3,209	179
1925-26	3,441	27	291	3,759	3,485	170
1926-27	3,426	49	274	3,749	3,402	164
1927-28	3,661	5	347	4,013	3,592	154
1928-29	3,900	0	421	4,321	3,764	129
1929-30	3,400	0	557	3,957		

<sup>a/</sup> Excludes Russia

<sup>b/</sup> Excludes Russia and China.

<sup>c/</sup> Preliminary.

<sup>d/</sup> Average yield 1919-1928 applied to 1929-30 acreage.

Prices

Cash wheat prices declined in the latter half of September under the pressure of heavy marketings, large stocks in the United States and Canada and heavy shipments of old wheat from Argentina. The weighted average cash price for all classes and grades at six United States markets declined from the middle of September into the first week of October. All classes shared in the decline. The spring wheats, however, declined most and the price of soft red winter wheat less than that of any of the other classes.

Prices in foreign markets also have been depressed by early and heavy marketings. Mr. Dawson reports that the German crop movement has been heavy which has prevented large takings of overseas supplies. The effect of the heavy marketings in Germany, as in the United States, has been to depress spot prices and the near futures in comparison with the distant futures. The spot price of domestic wheat at Berlin declined from 153 September 4 to 144 on September 25. In France prices improved slightly but at the end of the month were still below import parity. World prices generally improved somewhat in the early part of October, but this improvement was followed by some recession in the middle of the month.

The course of prices in the past month has departed somewhat from the course of prices in the 1924-25 season. Reviewing the season to date, however, it will be observed that the rise from the beginning of June to the first of August was generally greater than in the 1924-25 season. The rise in the first half of September corresponded to a similar rise in September of 1924, but in that season it continued until in the second week of October after which there was a decline through October. The decline in the latter half of September probably anticipates the decline which in 1924 came in October. This shift is probably due to differences in the distribution of supplies. The larger European crop and large supplies of old wheat in Argentina have prevented the rise, which began in September, from continuing into October. North European markets, however, will have to have wheat, and Argentine shipments can not continue indefinitely at the rate of 5 and 6 million bushels per week.



Table 2.- WHEAT: Closing price of September and December futures

Date	September futures											
	Chicago	Kansas City	Minneapolis	Winnipeg	Liverpool	Buenos Aires	a/					
	1928	1929	1928	1929	1928	1929	1928	1929	1928	1929	1928	1929
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Aug 29:	110:	132:	103:	127:	109:	b/134:	b/111:	b/154:	b/131:	b/140:	114:	115
Sept 5:	110:	132:	103:	127:	108:	b/134:	b/111:	b/152:	b/130:	b/142:	114:	120
	December futures											
12:	113:	144:	107:	137:	110:	145:	110:	158:	129:	b/149:	b/110:	122
19:	115:	139:	109:	133:	112:	140:	118:	151:	131:	b/144:	b/110:	118
26:	118:	137:	112:	131:	115:	141:	116:	148:	135:	b/138:	b/113:	113
Oct 3:	118:	133:	112:	128:	114:	137:	118:	142:	136:	b/138:	b/113:	c/114
10:	117:	135:	111:	130:	113:	137:	118:	148:	135:	141:	117:	c/126
17:	115:	130:	110:	125:	111:	133:	118:	144:	136:	136:	117:	c/122
24:	113:	:	107:	:	109:	:	117:	:	134:	:	116:	:

a/ Prices are of day previous to other prices.

b/ October futures.

c/ February futures.

Table 3.- WHEAT: Weighted average cash price at stated markets

Week ended	All classes and grades: hard winter: Dk. n. spring: Amber durum: red winter: white											
	six markets	Kansas City	Minneapolis	Minneapolis	St. Louis	Seattle	a/					
	1928	1929	1928	1929	1928	1929	1928	1929	1928	1929	1928	1929
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Aug 23:	108	128	104	122	123	141	109	131	127	134	112	128
30:	110	123	106	120	122	134	109	127	144	130	113	125
Sept 6:	110	128	106	125	125	137	104	132	147	133	113	126
13:	107	130	105	126	123	140	104	131	143	137	115	126
20:	108	128	107	125	126	138	107	127	145	134	116	123
27:	111	125	110	123	130	133	109	121	148	135	117	120
Oct 4:	107	126	110	124	125	135	109	127	145	133	113	121
11:	109	128	111	125	124	137	113	131	149	136	120	122
18:	105	:	109	:	121	:	108	:	147	:	120	:
:	:	:	:	:	:	:	:	:	:	:	:	:
:	:	:	:	:	:	:	:	:	:	:	:	:

a/ Weekly average of daily cash quotations basis No. 1 sacked 30 days delivery.

The Effect of the Wheat Storage Situation on Cash Prices  
in the United States

The congestion of grain in terminal elevators during the past three months has had a distinctly adverse effect upon cash wheat prices in the United States and appears to have had a less serious but nevertheless a definitely adverse effect upon the price of wheat futures. Since about the middle of July there has been insufficient storage space at terminal markets to adequately take care of incoming receipts in some of the terminal markets. As movement of wheat from the Southwest hard winter wheat area is the earliest of any part of the United States, the congestion first appeared at markets to which this area is tributary. Elevators at Galveston, Kansas City, and various interior terminal markets were filled up to their capacity by the end of July or early in August. The congestion moved northward along with the harvest of wheat. At Chicago available space appears to have been well filled by the latter part of August, and at Minneapolis and Duluth by early September.

The causes of the terminal elevator congestion may be said to be four in number. They are the heavy carryover of old crop wheat, the early harvest of the new crop, rapid marketing of the new crop, and finally the slow export movement. The unusual storage situation at the outset of the new season is indicated by the very large visible supply of grain in the United States on July 1. Visible supplies of wheat, corn, oats, rye, and barley, including both domestic grain and bonded stocks of foreign grain were much larger than ever before. According to the Chicago Board of Trade statement, the total for the five grains on June 29, this year, was 152,485,000 bushels against 76,689,000 on June 30, 1928, and an average of 80,793,200 bushels on the Saturday nearest July 1 for the five years 1923 to 1927. The visible supply of wheat alone was 111,596,000 bushels on June 29 of this year, compared with 53,039,000 bushels a year ago and 29,472,800 for the five year average.

In addition to the larger supply, stocks of wheat on farms, stocks in the hands of country mills and elevators, and "commercial" mill stocks were much larger than usual. Stocks of wheat on farms July 1, 1929, were estimated at 44,741,000 bushels against 23,729,000 the previous year and an average of 28,887,200 bushels for the five years 1923 to 1927. Stocks in country mills and elevators were estimated at 40,136,000 July 1, this year, against 19,227,000 on July 1, 1928, and an average of 15,030,700 for the five years 1923 to 1927. Stocks in merchant mills and elevators are estimated at 48,279,000 July 1, 1929, against 31,920,000 the year before and an average of 29,009,750 bushels for the four years 1925 to 1928.

The earliness of harvest was of importance primarily in the spring wheat area where the movement of new crop grain in volume began several weeks earlier than usual. The rapid marketing throughout the entire Wheat Belt was largely due to very favorable weather conditions but was also influenced by the increased use of combines, and in some cases by the fear of declining prices.

The over crowding of terminal facilities might have been avoided had there been a strong export demand for our wheat during the past two months. However, despite the prospect of a relatively short world crop of wheat for

the year as a whole, supplies in world markets are nevertheless more than plentiful for the present. Argentina has been shipping large quantities as a result of the large crop which they harvested in the winter of 1928-29. Furthermore, the new crop of Europe has been large, and this combined with the excellent quality of the new crop and heavy shipments from southeastern Europe has resulted in postponing the time when Europe will require foreign wheat in large quantities.

Despite the serious congestion of terminal elevator facilities, it is significant to note that total supplies of wheat in the United States this year are only very slightly above what they were a year ago. In 1928 a crop of 902 million bushels, together with stocks on July 1 of 128 million bushels, provided a total supply not including imports which entered the country during the year of 1,030 million bushels. This year the preliminary estimate of the crop is 792 million bushels, and the crop added to the stocks on July 1 of 245 million bushels makes a total of 1,037 million bushels, a supply only 7 million bushels greater than that of last year.

To the close of September exports had been approximately the same as those during the corresponding period of 1928 and indications are that mill grindings have been somewhat larger. Hence at the present time total supplies of United States grown wheat appear to be almost precisely the same as a year ago. Supplies of Canadian wheat in the United States are above the levels of a year ago by approximately 10 million bushels. With commercial stocks of domestic wheat in the United States now 70 million bushels above their level of a year ago, it is evident that a greater part of the total supply must now be in terminal storage than was the case a year ago, and consequently less wheat is being stored on farms and in country elevators combined than was the case a year ago.

Just when the storage situation will clear up so that cash wheat will be bought freely against sales for future delivery is somewhat uncertain. In 1924 United States exports of wheat as grain amounted to 4 million bushels in July, 17 million in August, and 33 million in September, and reached a peak of 45 million in October. This year exports were 8 million in July, 12 million in August, and from unofficial returns appear to have been about 10 million in September. It appears that the peak of exports will not be reached until later in the season than was the case in 1924, with an increase in volume occurring by November, and the peak perhaps in November or December. It appears without doubt that exports of the United States during the remainder of the season will be much above their levels of last year, but even if they should not be greater than last year, some easing of the storage situation should occur shortly. With smaller supplies at country points than was the case a year ago, and with mills grinding close to 50 million bushels of wheat per month at the present time, stocks of wheat at terminal markets may be expected to halt their increase shortly and to begin a decline within the next two months. Consequently, some improvement in the cash grain situation seems likely to occur during November or during December at the latest.

E.J.W.



Report of stocks of all grain at principal markets as of  
October 12, 1929

Domestic wheat in store and afloat as reported for markets in the United States increased only 1,360 million bushels in the week ending October 12. There was no change in stocks at Kansas City during the week, both public and private elevators being practically full. At Chicago there was a decrease in public elevators that was more than offset by an increase in private, making the total slightly greater than on October 5. There was a small increase in stocks at Minneapolis in both public and private elevators, the total of which amounted to 36,000 bushels. At Duluth there was a slight increase. At both Minneapolis and Duluth a small amount of additional storage space has been made available for temporary use, the total of which amounted to about one million bushels. Chicago had the only large space available for storage and it was all in private elevators. Receipts of wheat were slightly large at Chicago, Minneapolis and Kansas City than during the previous week. At Duluth there was a decrease from three to two million bushels which more than offset the increases of the other three markets.

C.E.C.

Domestic wheat in store and afloat at United States  
markets. July 6 - October 12, 1929

Week ended	In store	Increase over previous week
	<u>1,000 bushels</u>	<u>1,000 bushels</u>
1929		
July 6	93,664	2,922
13	96,766	5,399
20	104,990	6,227
27	116,149	11,159
Aug 3	135,813	19,664
10	156,297	20,484
17	171,508	15,211
24	179,015	7,507
31	186,051	7,036
Sept 7	187,991	1,940
14	192,046	4,055
21	195,025	2,979
28	197,440	2,415
Oct 5	199,157	1,717
12 a/	200,517	1,360

Compiled from Commercial Grain Stocks in Store in Principal United States Markets, as reported to the market news Service of the Bureau of Agricultural Economics.

a/ Preliminary.

### Production and exports of United States wheat by classes

The October 1 preliminary estimates of wheat indicate a total production of 792 million bushels as compared with the bumper crop of 901 million bushels last year. While this estimate is nearly 20 million bushels higher than the low estimate of the year the crop is still the smallest one produced since 1925. The smaller crop this year is due to a poor spring wheat crop as total winter wheat production was only ten million bushels smaller than in 1928. All classes of wheat except hard red spring and soft red winter are likely to be on an export basis. The soft red winter crop is estimated to be 190 million bushels. This is a much larger crop than was produced last year and slightly larger than two years before but materially less than the 1926 crop, so that supplies of this class of wheat should not be burdensome. The hard red spring production at 136 million bushels is the smallest since 1926 but this deficiency in production will be made up in part by large stocks of old wheat. Durum wheat production is greatly reduced from that of last year also, but is above domestic requirements. Exports during 1928, however, appear to be the largest since 1922. The hard red winter crop is estimated to be 54 million bushels less than in 1928, but with a very large production in that year and a big decrease in exports for the 1928 crop year, there is a generous supply of this class of wheat on hand. The crop of white wheat this year is only slightly smaller than last year and exports from the 1928 supply were comparatively small.

### Exports of wheat by classes

Total exports of wheat during the crop year 1928-29 were only 71 per cent of the previous year's exports although the 1928 crop was 24 million bushels larger than the 1927 crop. Of the 103 million bushels total, 45 million bushels were durum, 38 million bushels were hard red winter, 15 million bushels were white, three million bushels were soft red winter, and two million bushels were hard red spring. This decline in exports was made at the expense of all classes except durum which increased around 14 million bushels over the previous year or almost as much as the increase in production of durum. The exports of other classes of wheat decreased materially not only in quantity but in percentage of total exports. The table below shows the percentage which the quantity of each class of wheat is of total exports for the crop years 1927 and 1928:

Class	1927	1928
	<u>Per cent</u>	<u>Per cent</u>
Hard red spring .....	4	2
Durum .....	21	43
Hard red winter .....	45	37
Soft red winter .....	9	3
White .....	21	15

The exports of hard red winter at 38 million bushels were 27 million bushels smaller than the year before and together with a big increase in production largely accounted for the increase in the carryover of July 1 as compared with the previous year's carryover.

Table 5.- WHEAT: Production and exports by classes, 1920-1928

Production <sup>a/</sup>						
Year beginning July	Hard red spring	Durum	Hard red winter	Soft red winter	White	Total
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
1920 .....	140	52	302	247	91	835
1921 .....	131	57	290	237	99	815
1922 .....	170	31	280	248	79	868
1923 .....	127	55	241	272	102	797
1924 .....	192	66	365	189	52	864
1925 .....	156	65	206	170	80	676
1926 .....	121	48	360	229	73	831
1927 .....	202	83	317	181	95	878
1928 .....	195	93	384	139	86	902
1929 .....	136	57	330	190	79	792

Exports <sup>b/</sup>						
Year	Hard red spring	Durum	Hard red winter	Soft red winter	White	Total
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
1920 <sup>a/</sup> .....	18	32	163	59	21	293
1921 <sup>a/</sup> .....	25	26	100	29	28	208
1922 <sup>a/</sup> .....	14	43	61	23	14	155
1923 .....	2	19	27	11	20	79
1924 .....	21	34	121	8	11	195
1925 .....	5	27	10	2	19	63
1926 .....	2	22	73	31	28	156
1927 .....	6	31	65	14	30	146
1928 .....	2	45	38	3	15	103

<sup>a/</sup> Estimates of production by classes are based on surveys made in 1920, 1923, and 1924 of the percentage of different varieties of wheat grown, supplemented by investigations and judgment of cereal specialists. All estimates are the result of applying percentages for each State to the production of each State as estimated by the Division of Crop Estimates save that durum estimates of four States are used directly. As there are changes from year to year in the relative amounts of the varieties of wheat grown and also changes in the relative yields per acre, these figures should be considered to be only rough approximations.

<sup>b/</sup> Total as reported by the Department of Commerce. Distribution by classes made on basis of United States inspections for export by ports and inspections of United States wheat in the Eastern Division of Canada.

<sup>c/</sup> Estimates of exports of wheat by classes prior to 1923 are not as accurate as for later years due to the large amounts and composition of mixed wheat.



Table 6.- WHEAT: Weighted average cash price per bushel of  
representative wheats at stated markets  
1920-1928

Year	No. 1	No. 2	No. 2	No. 2
beginning	Dk.no. spring	Amber durum	Hard winter	Red winter
July	Minneapolis	Minneapolis	Kansas City	St. Louis
	Cents	Cents	Cents	Cents
1920 .....	201	199	183	213
1921 .....	148	119	120	127
1922 .....	126	107	113	121
1923 .....	124	106	105	107
1924 .....	158	156	135	159
1925 .....	165	144	163	169
1926 .....	151	155	135	138
1927 .....	141	132	135	149
1928 .....	126	113	112	139

#### Protein in the United States crop

Protein premiums of both winter and spring wheats continue low. Samples tested continue to show a high percentage of protein in Montana wheats. A report on tests made September 28 gives an average of 15.7 per cent in 7,734 samples of spring wheat, and of 13.49 per cent in 3,324 samples of winter wheat. These tests indicate that the 1929 wheat crop of Montana is as high in protein as the crop of 1925 when the crop of Montana averaged 14.25 per cent. The protein content of the hard winter wheats continues to run about as reported a month ago, averaging above 12 per cent.

#### The quality of the Canadian crop

The following report upon the quality of the Canadian crop will be of interest. We quote from a preliminary report of the chief chemist for the board of grain commissioners, Dr. F. J. Birchard:

"Milling and baking tests conducted on the 1929-30 crop in the Dominion Grain Research laboratory of the board of grain commissioners, Winnipeg, indicate that, on the whole, the milling yield is inferior, but the baking quality, grade for grade, is fully equal to, if not superior to, that of last year. The results are based on the standard samples as approved by the Grain Standards board on September 24, and the average samples to date as secured from the office of the chief inspector.

"Owing to the very satisfactory conditions under which the present crop was harvested, the effect of frost and immaturity is not a serious consideration, as was found to be the case last year; practically all the wheat is sound and mature, but each grade contains an increasing number of small undeveloped kernels, and consequently the weight per measured bushel would appear to be the chief factor in determining the grade.

"Of the total number of cars of hard red spring wheat inspected to date, four per cent graded No. one hard, forty-nine per cent one northern, thirty-nine per cent two northern, six per cent three northern, and less than one per cent of the total number of cars inspected graded numbers four, five and six.

"It may be noted here that No. 1 hard wheat has not been examined for several years, but this season forms a good portion of the crop, while Nos. 4, 5 and 6 wheat, which predominated last year, are practically non-existent in the inspection to date.

"Special attention should be called to the following:

"1. The moisture content is low, as was also the case last year. The average moisture content of all grades examined to date is about 12.0 per cent. To date, only about  $2\frac{1}{2}$  per cent is tough (over 14.04 per cent moisture), and practically no damp (over 17 per cent moisture) has appeared on the market.

"2. The weight per bushel of each grade is decidedly lower than that of last year, in which case it was particularly high. It is also lower than that of the past three years . . . . ."

The report gives tables which include the following data concerning weight per measured bushel of the Canadian crops for 1926 to 1929.

Table 7.

Weight per measured bushel of Canadian wheat crops, 1926 to 1929

Crop and class	Weight per bushel as received	
	Imperial bushel	Winchester bushel
	(Canadian)	(United States)
	<u>Pounds</u>	<u>Pounds</u>
Crop 1926		
Averages for crop year:		
Grade:		
No. 1 northern .....	65.0	63.0
No. 2 northern .....	63.0	61.0
No. 3 northern .....	62.0	60.0
Crop 1927		
Averages for crop year:		
Grade:		
No. 1 northern .....	64.5	62.5
No. 2 northern .....	63.0	61.0
No. 3 northern .....	62.0	60.0
Crop 1928		
Averages for crop year:		
Grade:		
No. 1 northern .....	64.5	62.5
No. 2 northern .....	64.5	62.5
No. 3 northern .....	63.5	61.5
Crop 1929		
Standard samples: <u>a/</u>		
No. 1 northern .....	61.5	59.6
No. 2 northern .....	60.5	58.6
No. 3 northern .....	60.5	58.6
Winnipeg averages to Sept. 21,		
1929: <u>a/</u>		
No. 1 northern .....	64.0	62.0
No. 2 northern .....	62.5	60.6
No. 3 northern .....	62.5	60.6
<u>a/</u> No. 1 hard, 1929 only:		
Standard samples .....	64.0	62.0
Winnipeg averages to		
Sept. 21, 1929 .....	66.5	64.4



Quoting further from the report:

"In accordance with the lower weight per bushel the yield of straight grade flour is reduced in each grade, being approximately one per cent lower in the case of average one northern, one and one-half per cent in the case of average two northern, and one per cent in the case of average three northern. The weight per bushel of average No. 1 hard is two and one-half pounds heavier than that of average No. 1 northern of last year, while the yield of straight grade flour from these two grades is practically the same.

"Since an insufficient number of samples of the lower grades was available, no satisfactory data could be obtained as regards these grades.

"3. The protein content of the averages of the grades and of the corresponding straight grade flour is higher in each case, than was found last year. It is also considerably higher than the average of the last three years. It should also be noted that the protein content of nearly 40 per cent of the crop examined is between 15 and 17 per cent, while last year not more than two per cent contained this amount. The maximum protein in any sample tested last year was 16 per cent, while this year a number of samples tested between 18 and 19 per cent. It would appear from test conducted to date that the quality of the protein is somewhat inferior to that of last year, but it is considered advisable to make further tests before making any definite statement in this regard.

"4. The absorption of the flour of each grade is distinctly less than that of last year, the difference amounting to between two and three per cent in each grade.

"5. The baking quality of the straight grade flour from each grade, when baked by itself, is superior to that of last year, as indicated by the increased loaf volume, greater oven spring and better texture. In this connection, it should be particularly noted that the baking quality of average No. 1 hard is superior to that of average No. 1 northern. In the standard samples, the difference is not significant. Two northern is practically equal to one northern as regards baking quality, while three northern is inferior, although still superior to that of the same grade of last year.

"In general, while it would appear that the baking quality of the standard samples is rather better than that of the averages examined to date, it should be noticed that the yield of straight grade flour from the standards is  $1\frac{1}{2}$  to 2 per cent less than that obtained from the averages.

"6. The color of both the flour and the bread is very similar to that of last year, although that of two northern and three northern, is slightly more yellow. It is believed that this somewhat increased yellow color is due to the presence of a larger proportion of Garnet wheat than was found in these grades last year."

World market conditions

Net exports from countries for which data are available, July 1 to October 5, total 165 million bushels, or 13 million bushels in excess of last year. This total, however, does not include exports from Canada in September. Shipments from Canada, four markets, added to the exports from other countries, total 182 million bushels, 19 millions less than in the corresponding period of the past season. The most significant changes between the two seasons are in Canada and Argentina, the former having shipped 63 million bushels less and the latter 40 million more than in the corresponding period of the past season. It is of interest to note that with a larger crop than last year India is importing a small amount of wheat. Russia produces no evidence of an exportable surplus. The Balkan countries, however, with small crops are shipping more than they shipped in the early months of the past season.

Turning to conditions in foreign markets it will be noted that European importing countries began taking about the same quantity and, in some cases, somewhat more than in the corresponding periods of the past season. Imports in August and September, however, seem to have been less than in those months of the past season. Agricultural Commissioner Dawson reports dullness in European markets. He says that the flour mills as well as the trade are cautious in making advance purchases; the domestic crop movement is heavy and has reduced the takings of overseas supplies. Consul Kemper reports from Tokyo that the condition of the milling industry in Japan is unsatisfactory at the present time, due to general business depression and a decline in the export demand for flour. Commissioner Nyhus reports that the Shanghai flour market is weak and that the movement of flour at Tientsin is slow as stocks are unusually large and the prices of foreign flour are relatively so high as to discourage the making of new contracts. Consul Langdon at Dairen, on the other hand, reports the prospects for marketing American flour in his territory to be very favorable at the present time. The foreign market outlook, however, is not so discouraging as indicated by these current reports. As indicated above, the markets are depressed by heavy marketings of domestic wheat and a large world visible supply. Gradually the domestic wheats will be absorbed and the takings of foreign wheats will increase.

Table 8 - WHEAT INCLUDING FLOUR: Net exports from principal exporting countries, years beginning July 1, 1924 - 1929

Country from which exported	1924- 25	1925- 26	1926- 27	1927- 28	1928- 29	Prel.: est. : 1929- 30	Net exports reported July : 1 to :	1926- 29	1929- 30
	Mill : bush	Mill : bush	Mill : bush	Mill : bush	Mill : bush	Mill : bush	Mill : bush	Mill : bush	Mill : bush
United States	255	92	206	191	142	200-250	Oct 5:	47	46
Canada	194	320	305	305	422	225-260	Aug 31:	65	34
Russia	0	27	49	5	0	0	Oct 5:	0	0
British India	45	8	10	13	a/-22	0	Oct 5:	2	1
Hungary	15	19	21	22	24	20-24	Oct 5:	2	2
Rumania	4	8	11	7	2	10-15:		-	-
Bulgaria	a/b/-2	4	2	2	1	0:		-	-
Yugoslavia	9	12	10	1	8	10-20:		-	-
Algeria	a/-1	5	a/-1	5	4	0-5	July 31:	a/-2	c/
Argentina	125	100	138	178	218	150-175	Oct 5:	26	66
Australia	124	77	97	73	113	65-80	Oct 5:	12	16
Total	768	672	848	802	912	660-829:		152	165
a/ Net imports.	b/ Year ended December 31.					c/ Less than 500,000 bushels.			

Table 9 - WHEAT INCLUDING FLOUR: Net imports from principal exporting countries, years beginning July 1, 1924 - 1929

Country	:	:	:	:	:	:	Prel.: Net imports reported			
	1924-	1925-	1926-	1927-	1928-	est. :	July :	1926-	1929-	
	25 :	26 :	27 :	28 :	29 :	1929-	1 to :	29 :	30 :	
	:	:	:	:	:	:	30 :	:	:	
	Mill	Mill	Mill	Mill	Mill	Mill	Mill	Mill	Mill	
	bush	bush	bush	bush	bush	bush	bush	bush	bush	
United Kingdom	216	186	217	211	204	a/	Aug 31:	36	35	
Italy	96	64	87	87	82		Aug 31:	14	6	
Germany	71	56	94	92	68		Aug 31:	14	21	
France	41	34	53	54	51		July 31:	3	6	
Belgium	39	39	40	42	41		July 31:	3	4	
Netherlands	26	27	28	31	29		Aug 31:	4	5	
Czechoslovakia	23	19	21	21	17		July 31:	1	1	
Greece	23	18	20	19	22		July 31:	2	2	
Irish Free State	19	18	19	19	18		July 31:	1	2	
Austria	16	15	17	16	14		:	-	-	
Switzerland	14	14	17	18	15		Aug 31:	3	5	
Sweden	11	6	6	9	8		Aug 31:	1	2	
Norway	5	6	6	7	9		July 31:	c/	1	
Denmark	6	6	7	10	17		July 31:	1	1	
Finland	4	5	5	5	6		July 31:	c/	1	
Poland	7	b/ -2	7	8	4		July 31:	1	c/	
Spain	b/ -1	1	1	4	15		:	-	-	
Estonia	1	1	1	1	1		July 31:	c/	c/	
Latvia	2	2	2	2	3		:	-	-	
Total	619	517	646	656	624		:	84	92	

a/ See the September issue, page 11.      b/ Net exports.      c/ Less than 500, 000 bushels.



Shanghai wheat market conditions

A decided decline in the milling industry in Shanghai is expected by January first, according to a cable to the Foreign Service of the Bureau of Agricultural Economics from Agricultural Commissioner P. O. Nyhus at Shanghai. The present stocks of wheat at mills vary from one to three months supply but arrivals are falling off sharply and millers are doubtful of their ability to buy foreign wheat to supplement the small arrivals of native wheat. Native wheat for October delivery is quoted at \$1.09 per bushel while American wheat, western red No. 2 for November and December shipment is quoted at \$1.33 per bushel which is above the price at which contracts can profitably be made. Canadian No. 5 is quoted higher than American western red No. 2. The local flour market is weak due to the slow demand from Tientsin and to the somewhat large stocks that are being held locally. Vice Consul Paschall at Tientsin reported that the movement of flour at Tientsin is slow as stocks there are unusually large and prices of foreign flour are too high to enable new contracts to be made.

The flour market at Dairen

Consul Langdon at Dairen reports that prospects for marketing American flour on the Dairen market are very favorable at the present time according to a cable to the Foreign Service of the Bureau of Agricultural Economics from Agricultural Commissioner P. O. Nyhus at Shanghai. Considerable business has already been done in American flour in South Manchuria and an even larger volume is expected to be done during the next few months as American flour is quoted lower than Shanghai, Japanese or Canadian flour. The Nanking government placed an embargo on the export of Shanghai flour to Dairen but this embargo is of little importance at the present time as the price margin is in favor of American flour. The military authorities in North Manchuria have placed an embargo on wheat and flour shipments to Changchun, the junction point of the Japanese South Manchurian Railway and the Eastern Chinese Railway, which is controlled by the Chinese authorities. The embargo is also in effect on shipments to points further south in Central Manchuria and to the eastern and western Russian frontiers. The measure which is designated to provide an adequate and cheap source of grain to feed the troops in Northern Manchuria, confirms the reports of a good wheat crop in that region. The embargo widens the field of distribution for imports at Dairen as it cuts off the wheat supplies from the north to a few mills in Southern Manchuria and eliminates the competition of the Harbin flour mills.

The Continental European wheat market situation during September 1929 a/

European business in overseas wheat during September was restricted as in August while activity in Continental wheat was considerable, according to O. L. Dawson, Acting Agricultural Commissioner at Berlin. The large amount of surplus wheat already disposed of this season by Danubian countries is a significant point in the Continental wheat situation. A larger proportion of these shipments than usual went to western and northern Europe. This rapid movement of the Danubian surplus is apparent from the figures on

a/ By Acting Agricultural Commissioner Owen L. Dawson, Berlin, Germany, September 30, 1929. Supplemented by cable October 11, 1929.

shipments. Danube shipments of wheat and wheat flour from the first of July through October are reported 4,960,000 bushels as compared with 792,000 bushels in the corresponding period of the past season. This heavy movement added to the declining price tendency of spot wheat in the principal import markets which have been well supplied this season with offers of domestic European wheat. Observers, indeed, are inclined to think that domestic offerings for the Continent as a whole this season are more pressing, and the crop movements considerably faster than usual. This is also indicated by the congestion in Continental ports despite the moderate receipts from overseas which are much below the last two seasons.

Overseas shipments to Continental ports have been considerably less than a year ago. A number of arriving lots were transferred to the United Kingdom, total shipments to which were very heavy.

Stocks in the trade have accumulated while farm stocks are expected to show, at least in important surplus regions, heavier declines than usual. Such distribution of stocks is significant for later market developments as the portion of stocks in hands of producers has less influence upon spot prices than have the quantities in trade channels.

Thus, the market situation presents the following picture: Consumptive purchases of the flour mills are moderate and the flour mills as well as the trade are cautious in making advance purchases. On the other hand, the domestic crop movement is heavy and has prevented larger takings from overseas supplies. The pressure on spot prices therefore is considerable. December quotations in Germany declined insignificantly through September, while spots decreased considerably. However, the more exclusively the Continent depends on domestic supplies early in the season, the earlier will it be forced into dependence on overseas sources. The market outlook for forward months, from the standpoint of market technique, is therefore decidedly better than the present spot situation. This idea is borne out as the prevalent market opinion by the fact that spots sold at a considerable and steadily increasing discount below Decembers in important deficit markets.

Rye prices in central Europe declined also considerably and offerings of the farmers have been pressing. In Germany the Getreidehandels-gesellschaft continued to make stock purchases and support the market.

Purchases of feed grains continued rather small up to about the middle of September when the market became more active for practically all kinds of feed grains. Good demand was then reported, particularly from Denmark and Germany, for Danubian barley. German oats of good quality was sold to Holland, England and the Scandinavian countries and business improved also for Argentine oats offered at cheap prices. Demand for corn remained limited, with good prospects for the southeastern crop maintained. The corn crop in these countries, as well as in Italy, will be somewhat reduced in quantity, because of the drought, but will be of good quality and available for export earlier than usual. Prices of feed grains weakened during the first half of September, with a sustained tone following the revival of demand. Fodder crops on the Continent were seriously curtailed through the period of drought and heat in August and early September, which will be an important factor in the future demand for feed grains. The upward movement in hog numbers will also have significance later in the season.



The following is our estimate of the Continental wheat crop in 1929:  
 Table 10- WHEAT: Production in European countries, average 1924-1928,  
 annual 1927-1929

Country	Average 1924-1928	1927	1928	Estimate as of Sept 29, 1929
	: 1,000 bush	: 1,000 bush	: 1,000 bush	: 1,000 bush
Germany .....	112,991	120,522	141,593	115,584
Italy .....	211,208	195,809	228,596	a/ (246,187)
France .....	280,140	276,128	b/ (286,600)	c/ (334,364)
Belgium .....	14,910	16,277	17,986	15,995
Netherlands .....	5,853	6,157	7,336	d/ 3,487
Czechoslovakia .....	39,512	40,385	51,499	48,060
Switzerland .....	3,852	4,119	4,270	e/ 5,791
Greece .....	11,481	12,970	13,085	13,981
Austria .....	10,695	11,960	12,915	11,912
Denmark .....	9,200	9,408	12,214	(10,288)
Poland .....	50,165	54,230	59,219	60,259
Sweden .....	13,460	15,835	19,155	(19,474)
Norway .....	594	605	798	(661)
Finland .....	941	1,064	998	1,036
Latvia .....	2,094	2,636	2,499	(2,499)
Estonia .....	859	1,079	1,037	(1,037)
Spain .....	139,136	144,825	119,884	139,793
Portugal .....	10,121	11,447	7,546	(9,186)
Total 18 deficit countries .....	917,212	925,456	987,230	1,039,587
Hungary .....	74,859	76,933	99,211	f/ (77,161)
Yugoslavia .....	73,541	56,568	103,294	96,966
Rumania .....	99,664	96,734	115,544	g/ (88,184)
Bulgaria .....	39,083	42,121	50,691	33,142
Total 4 surplus countries .....	287,147	272,356	368,740	295,453
Deficit countries .....	917,212	925,456	987,230	1,049,587
Surplus countries .....	287,147	272,356	368,740	295,453
Grand total .....	1,204,359	1,197,812	1,355,970	1,335,040

Figures in parenthesis are estimates made by Agricultural Commissioner Dawson.

a/ Unofficial, latest official estimate 259,628,000 bushels.

b/ Unofficial. The official estimate of 281,285,000 is regarded as too low.

c/ Unofficial. The official estimate is 319,863,000 bushels.

d/ Official estimate but is regarded as too low.

e/ Include meslin and spelt.

f/ Unofficial. The latest official estimate is 71,207,000 bushels.

Preliminary official generally tend toward a downward bias.

g/ Unofficial. The official estimate is 91,858,000 bushels. Mr. Dawson believes the acreage to be overestimated.

According to these figures the Continental wheat crop will be 1.5 per cent below 1928 or about 10.9 per cent above the average 1924-28. It is



important to note that, while the wheat crop in the surplus regions is about 20 per cent below 1928, the deficit countries have a crop of about 5.3 per cent more than last year. This distribution is somewhat favorable to increased consumption. It is probable the net wheat deficit of the Continent of Europe (22 countries) will be between 65,000,000 bushels below and 9,000,000 bushels above the 1928-29 season deficit.

Germany

The wheat market in Germany during September was characterized by reluctance in buying foreign as well as domestic wheat, but takings of the latter improved recently. The movement of the new crop assumed quite heavy proportions which resulted in a decline of prices. Transactions in flour were small as purchases were only to cover current needs. The demand is expected to become more active as soon as the pressure resulting from the new crop movement shall have lessened. The rather heavy accumulation of foreign wheat the last part of June and early July has also been a factor in the depressed tone of the market but this is now passing with decreased exports of the past weeks.

Spot prices of wheat which showed a slight increase toward the end of August have declined since the beginning of September. The present spot price of wheat in Berlin is but slightly above the corresponding price of last year. The weakness in the German wheat market for spots throughout September was in general more pronounced than in overseas. On the other hand the decrease in futures was less pronounced than in spots.

The rye situation is regarded as very unfavorable with another good crop and considerable stocks remaining from the old crop. Rye prices have continued to decline throughout September after a temporary firmness toward the end of August. Rye offers have been large and urgent, and only limited quantities have been absorbed. The spot price of rye was \$1.09 per bushel in Berlin on September 25, as compared with \$1.17 on August 24, 1929, and about \$1.27 in the second half of September 1928. The decline of rye prices would probably have been much larger had not the Getreide-Handelsgesellschaft- a Government supported company- bought large quantities to prevent a further decline of prices. December prices of rye are also considerably higher than spot prices. Rye prices are now about on the level of feed grains which will be an inducement toward larger feeding of rye than usual. The price of spot rye in Berlin on September 21 was \$1.08 per bushel, for feed barley (winter barley) \$.90 per bushel and for oats \$.60.

The following table shows the development of domestic wheat and rye spot prices:

Table 11.- GERMANY: Price per bushel of domestic wheat and rye,  
August 14 - October 16, 1929

Date	Wheat			Rye	
	Hamburg	Breslau	Berlin	Berlin	
	Cents	Cents	Cents	Cents	
Aug 14 .....	180	159	160	114	
21 .....	174	158	157	117	
28 .....	165	152	147	111	
Sept 4 .....	163	154	153	119	
11 .....	160	150	147	114	
18 .....	159	147	146	111	
25 .....	155	145	144	109	
Oct 2 .....	156	145	145	109	
9 .....	164			112	
16 .....	163			106	

Footnoted on following page.

- a/ Wheat of any German district of at least 58.7 pounds per Winchester bushel.
- b/ Wheat of any German district in carloads 370 bushels of at least 58.7 pounds per Winchester bushel.
- c/ "Markischer" wheat of at least 59 pounds per Winchester bushel.
- d/ "Markischer" rye of at least 56 pounds per Winchester bushel.

Wheat imports in August were comparatively small, amounting to 5,266,000 bushels compared with 16,663,000 bushels in July 1929 and 6,906,000 bushels in August 1928. Exports of wheat in August showed some increase in comparison to July. September figures of wheat arrivals in the sea ports and to the Dutch frontier indicate that during the first part of September imports have continued to decline and were much smaller than last year for the same period. Stock figures in Bremen have increased as a consequence of slow sales to the interior.

In the consuming centers the visible stocks have increased probably somewhat more than is normally the case at this time of the year as a consequence of heavy domestic marketings. The visible stocks in Berlin were 536 000 bushels on August 31, 1929, compared with 359,000 bushels last year. The visible rye stocks in Berlin were 1,250,000 bushels on August 31, 1929, against 207,000 bushels last year. The difference in the visible rye stocks between 1929 and 1928 is especially striking.

The agricultural organizations are asking urgently for new relief measures. There is some possibility that new measures will be taken in the near future as the Federal Minister of Agriculture has given some consideration to these demands. The government has issued an order obligating flour mills to mill 50 per cent domestic wheat during the period October 1 to November 30, 1929. The milling rates for these months had previously stood at 40 per cent. The rates for the remainder of the season remained at 30 per cent. It is also possible that the duty on feed barley will be increased in order to place rye in better competitive position with reference to barley.

Our opinion about the outturn of the grain crop has changed only slightly during September. The estimate of the "Deutscher Landwirtschaftsrat" as of August 15 is somewhat below the official estimate of August 1. It is to be noted, however, that the government's final estimate for last year was considerably higher than that of the Landwirtschaftsrat.

#### France

The wheat market in France was mostly during September and prices have experienced a slight increase, but are still below the import parity. The firmness of the market was based on a decline of domestic offers rather than on an improved demand. Farm offers which were large during July and August have dropped off considerably.



The following estimates relating to the French wheat crop for 1929 have appeared:

Official estimate	319,863,000 bushels
Destombe	326,779,000 bushels
Sicot (statistician for Bodenheimer & Co.)	361,444,000 bushels
Bulletin des Halles	369,900,000 bushels

It is to be noted that the yield per acre according to Sicot is 29.6 bushels and the Bulletin des Halles 30.6 or but slightly larger. The Bulletin des Halles uses the same area as the Ministry of Agriculture. Mr. Sicot uses a lower acreage than the Ministry of Agriculture as he allows for greater winter kill which appears to be consistent with comments on the crop since early spring. However, the yield used by Sicot is about 22 per cent higher and of the Bulletin des Halles 26 per cent higher than any on record.

It seems difficult to reconcile these reports of phenomenal yields with unfavorable condition reports during the early part of the season. It does appear, however, that the government estimate of 319,863,000 bushels is too low. Making allowance for a higher yield and a somewhat lower acreage we figure a crop of about 334,400,000 bushels.

The outturn of the crop appears to be somewhat above the net disappearance for last season and stocks at the beginning of the season were rather heavy. This supply situation in connection with unsatisfactory prices for farmers has given rise to considerable talk about methods of control by the government.

After a recent cabinet meeting the following press release was given out by the Ministry of interior: a/

"The cabinet has thoroughly examined the wheat situation. It has authorized the Ministers of Finance and Agriculture to introduce in the Chamber of Deputies, immediately upon its re-convening, a bill extending the period of validity of temporary admission permits for wheat from three to six months, and a bill on the transfer of such permits.

The same Ministers have been instructed to prepare a bill providing for "bons d'importation".

The Minister of Agriculture will further circularize local Agricultural Loan Organizations in order that the necessary funds may be placed at the disposition of small farmers who might desire to borrow on their crops.

Finally, the Cabinet, with the end in view of avoiding crises in quotations such as happen from time to time, shall present to Parliament a bill creating a Wheat Office. This public organization shall follow closely all problems relating to wheat production in France and in the world, in order to bring about at an opportune time any measures likely to safeguard national production."

a/ See report of Consul Cochran for September, 1929.

According to American Consul H. Merle Cochran at Paris, this amendment of the regime of temporary admission as indicated above will permit millers to use fully all permits now in hand which often lapse because of their short period of validity. It is also pointed out by Mr. Cochran that this regime guarantees to wheat importers the refund of customs duties on any tonnage reexported either in its original form or after conversion into flour. It is believed that a more simple and liberal enforcement of the temporary admission system would permit millers to export a larger tonnage of flour to meet the demand in foreign markets thus relieving the home market when it happens to be congested.

The "bons d'importation" referred to is similar to the system now existing in Germany which gives the right to import an amount of grain free of customs duty equal to the amount exported. There are various proposals in France as to whether the import certificate should apply only to wheat or other kinds of grain or whether it should even apply to other commodities.

The import certificate plan differs from the temporary admission plan in that, export transaction takes place first and allows the import at a later date if necessary.

The plans for establishing a wheat office to deal with the many problems connected with the large supply this year are much discussed. It is thought that aid to farmers for storing grain for which facilities are very short at present, would be one of the most practicable things such an office could do.

As some quantities of high gluten content foreign wheat will need to be imported for blending purposes, France will endeavor to export wheat but the extent of this movement will depend much upon government action.

### Italy

The market for domestic wheat continued in depression owing to large offers and reluctance on the part of buyers. The quotation of Italian wheat remained below the import parity. Nevertheless Italy will have to import considerable quantities of foreign wheat. Some purchases of overseas and Hungarian wheat have already been made during September. According to a speech of the Minister of National Economy the wheat crop amounts to 259,628,000 bushels, but we believe that this estimate is too optimistic and that the actual outturn will be somewhat lower.

### Netherlands and Belgium

Wheat markets in Holland and Belgium remained quiet during September and only on few days larger transactions were made. Practically no demand could be noticed from German buyers, and sales were made almost exclusively to Belgian and Dutch flour mills. It is expected that Germany will show a better demand within the near future. Port stocks at Antwerp and Rotterdam have continued to increase. Danube wheat has proved to be a strong competitor against overseas wheat during the past month.

Danube Basin

The surplus producing countries of the Danube Basin reported rather active export business for Hungarian and Yugoslavian wheat during all of September, though the price tendency was varying and somewhat weak on the whole. Also the Viennese produce exchange, important as middleman for Danubian grain business, profited from the activity in Hungary and Yugoslavia, and the turnover was considerable. It is a remarkable feature of this season that a very large proportion of the combined Hungarian and Yugoslavian wheat surplus has been sold already and reports indicate that about two-thirds of the surplus have been shipped out to date. As a further illustration of the unusual rate of movement of the wheat surplus this year it is pointed out that Yugoslavia chartered about 100 steamers for Danube shipments to November 15, compared with a 140 steamers during the whole of a normal season. Of further interest, and as unusual as the above, is the fact that most of the sales of Danubian wheat were effected for shipments down the Danube to Western Europe and partly the Scandinavian countries, while normally much of the surplus is taken by the central European deficit countries and Italy.

Domestic trading in Austria and Czechoslovakia was limited, with prices slightly declining. Offerings were pretty large.

Prospects for the new corn crop in Southeastern Europe remained good, despite continued drought and some resultant reduction in the quantitative outlook. The dry weather appears to have been very beneficial for the quality produced, however, and it is expected that the corn will be dry enough for the export earlier than usual, so it is hoped that considerable quantities can move before winter sets in. Business in Danubian feed grains, corn and barley, was important, particularly to western Europe.

Various farm relief measures are under discussion in Austria also, amongst which the most important are the possible introduction of the import certificate system for grain and cattle, government seed credits to insure the sowing campaign 1929-30, and a grain monopoly. The first two measures are likely to be accepted.

Poland

The Polish wheat market was mostly weak. Harvesting was finished under favorable weather conditions, and the quality is reported satisfactory. Since beginning September large quantities of the new wheat crop have appeared in the market. The rye situation is still less favorable than the wheat situation. Recent reports from Poland state that an increase of the duties on wheat, rye, barley and oats is expected in the near future. The export duties which hindered export business greatly last fall were already abolished this summer.

The second Polish crop estimate as of beginning September is below the first estimate, but remain for wheat, rye and barley slightly above the final estimate of the good crop of 1928.



Soviet RussiaThe Grain Market Situation

Procurements are still greatly above those of the two previous years, having amounted to about 1,900,000 short tons in August compared with 580,000 short tons in August 1928 and 1,090,000 short tons in August 1927. The August procuring plan for all crops - which was fixed at a greatly raised level compared with the previous year - was surpassed by 24.5 per cent. On September 1, procurements of all grains were more than 3 times those of 1928 and almost double those of the preceeding year. This seeming success, however, is marred by the fact that the proportion of different crops procured up to now is not favorable, minor grains and feedstuffs predominating, while the most important bread crops, wheat and rye, are coming in less satisfactorily and their pace of procurements is regarded insufficient to guarantee execution of the yearly plan. The share of bread grains in the August procurements was 59 per cent of the total as compared with 72 per cent last year and 94 per cent in 1927. This is all the more important, as the tensivity of the domestic grain market experienced during the whole of last year has greatly reduced stocks of grain in the hands of the Government, and bread grain of the new crop is probably necessary to enable the uninterrupted supplying of the consuming regions and industrial centers with grain and grain products. One of the reasons for unsatisfactory procurements of bread grains is attributed by the Soviet press to the fact that up to now procuring organizations laid too much weight on how much they procured without any, or insufficient, attention paid to what they procured. As a result, peasants being pressed to deliver their surpluses naturally sold the less valuable crops first and kept back the wheat and rye. This assumption is confirmed by recent reports of the press that speculation and private buying of grain has again developed, with purchases concentrating chiefly around wheat. It seems likely that once peasants have seen how desirable a crop wheat is, they will either hold it back hoping for a still larger increase in its value, or sell it on the private market. There is no doubt that the less favorable development of bread grain procurements, is, at least partly, accounted for by the outturn of this year's crop, as both winter-kill and summer drought were adverse factors, probably most detrimental in the case of wheat and rye. Previous assumptions that winter-kill was extensive also in 1928 are now confirmed by a statement just made in the Soviet press that winter-kill during the past two years amounted to over 17,000,000 acres.z/

The development of procurements during the first half of September appears to have been very similar to that of the last part of August, with press complaining that a sufficient increase has not yet taken place over August levels which would enable the realization of the Government's stipulation to finish the 1929/30 procuring campaign by January/February. Statements have been made by the Soviet press that September procurements should be double those of August.

The situation with respect to bread grain procurements has not shown any signs of betterment in September and a high Ukrainian official even stated recently that the share of bread grains in total Ukrainian procurements

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a/ Data for 1927 winter-kill has now been revised, previous information indicating a winter-kill of somewhat above 15 million acres.



has been showing a steady decline, having amounted to

46 per cent	in September 1-5,
42 per cent	in September 6-10
38.4 " " " "	11-15.

The gross grain crop in 1929 is estimated at 84 million short tons. The 1928 crop was estimated at 86 million tons at the first of October but the last of October was reduced to 82 million tons and was latter reduced to 80 million short tons.

#### The 1929 Autumn Sowing Campaign

The Autumn sowing campaign, the development of which next to the procuring campaign, is regarded as most vital at present, has begun under rather adverse weather conditions. The prolonged period of drought experienced in many important regions of the Union has delayed sowing by 2 to 3 weeks.

Other factors influencing the outturn of the 1929 Autumn sowing campaign are poor preparation for the campaign by the organs concerned, some shortage of seed, as well as the tendency of rich peasants to reduce their acreage. The Government seems to be reckoning with this tendency as while the total increase of acreage is fixed at 7 per cent, an increase of only 4 per cent is provided for in the case of individual peasants: the remaining increase of 3 per cent is to be achieved by a large increase of the "socialistic sector" of agriculture.

The plan provides for a very significant increase of the winter sown acreage in Ukraine (+ 12 per cent), in accordance with the Government's efforts to offset the unfavorable influence of the two year's winter-kill there. Ukraine is, next to North Caucasus and Crimea, one of the most important winter crop sections of the Union, and has suffered greatly from the winter-kill of the past two years. 1928 winter-kill is now reported to have been very extensive, thus confirming our previous reports to that effect. It is now indicated that over 17 million acres have been winter-killed during each of the past two years <sup>a/</sup>, this being about 8 per cent of the total acreage under grain and somewhat less than 20 per cent of the acreage under winter crops alone.

#### The Australian wheat crop

The 1929 wheat crop of Australia is expected to be below last year according to preliminary studies of the relation of wheat yields to rainfall made in the Foreign Service of the United States Department of Agriculture. Based on current weather conditions the most probable size of crop is about 115 to 135 million bushels compared with 160 million in 1928.

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<sup>a/</sup> Data on the 1927 winter-kill has now been revised, previous information indicating that winter-kill amounted to more than 15 million acres.

The average yield of the four principal producing states is indicated to be about 8.6 bushels to the acre according to reported rainfall conditions through September compared with a 1928 yield of 10.9 bushels and an average of 11.5 bushels in the 17 years 1911 to 1927.

The Australian wheat acreage for this year is officially reported at 14,500,000 acres which is slightly below the 1928 area. A yield of 8.6 bushels to the acre would give a total Australian crop of about 125 million bushels. Allowing some margin for errors of estimate a crop between 115 and 135 million bushels seems probable. October weather may change the outlook somewhat although usually it has not had a close relation to yield.

The indicated reduction in wheat yield this year is based on reduced rainfall during the growing season. During the four months April to July, the plowing, seeding and early growing season, the rainfall was about three-fourths of a 17-year average in the Australian wheat areas. It ranged from a little over half of average in New South Wales, where the greatest acreage is seeded, to slightly above average in western Australia. Complete figures are not available for August and September. Figures for important districts in the wheat growing areas are usually a good indication of the rainfall over the entire areas. For these districts the amount of rainfall in August and September this year was about two-thirds of average. In New South Wales it was nearly up to the average, in Victoria and south Australia it was about two-thirds of the average and in west Australia about half the average.

The yields indicated by these weather conditions are based on separate studies for each of the four important wheat growing States. A rather careful preliminary study was made for south Australia since both temperature and rainfall records were available for a long series of years. According to this study rainfall during August and September showed the closest relation to wheat yields in that State. The rainfall from April to July came next. In both cases the rainfall appeared to have a direct effect on yield, increases in rainfall being accompanied by increased yields. October rainfall also had a slight direct relation to yield. In most years the rainfall before April showed little apparent relationship to yield, nor did the temperature in the maturing period. The nearness of the ocean to the south Australian wheat fields probably explains the absence of any noticeable damage to the crop from heat.

For 1929 the rainfall in the wheat zone of south Australia in the period April-July lacked nearly a third of reaching the 17-year average. March rainfall was also one of the smallest on record. August-September rainfall in two important districts lacked over a third of the average. Assuming rainfall in these districts to be indicative

of the whole wheat zone, and assuming an average rainfall for October, the yield indicated is about 8.2 bushels to the acre compared with 3.5 bushels in 1928 and an average of 10.9 bushels in the 17 years studied.

Rainfall in the same three periods was used in studies of wheat yield for Victoria and New South Wales. In general the same relationships held true in Victoria as in south Australia, with increased yields usually accompanying increases in rainfall in all three periods. In occasional years, however, the August-September rainfall appears according to this study to have been too heavy for optimum results. The only year in which October rainfall was indicated to have been too heavy for best returns was 1917.

In Victoria greater differences occurred between the calculated and the officially reported yields than in south Australia. Temperature variations may account at least in part for this greater variability in Victoria, although earlier studies had shown no very close relationship between temperature and yields. The wheat region in this State is separated from the coast by a mountain range and thus is probably subject to greater extremes of temperature than south Australia. Unfortunately temperature records are not available for the wheat growing areas of Victoria in recent years.

In 1929 the April-July rainfall in the Victoria wheat zone was about a fourth below average and August-September rainfall in two important districts was less than two-thirds of the average. Assuming average rainfall in October the wheat yield indicated by these weather factors would be about 10.4 bushels to the acre compared with 12.4 bushels in 1928 and a 17-year average of 12.9 bushels.

The wheat zone of New South Wales is also separated from the coast by mountains and in addition is nearer to the equator so it is likely that temperature variations have a greater effect on yield than in Victoria. Recent temperature figures are not available for the wheat region of New South Wales.

This region tends to have heavier rainfall in the planting season and in the maturing season than Victoria and the years of heavy rainfall are associated with somewhat reduced yields.



The current year's rainfall during the planting season was one of the lowest in New South Wales, being not much over half the average amount. July and August, however, were months of nearly normal rainfall, judged by returns for four important districts. Assuming average October rainfall the yield is indicated to be about 8 bushels to the acre compared with 12.2 bushels last year and an average of 11.3 bushels.

Conditions in Western Australia appear to be considerably different than in the other Australian wheat areas. Yields fluctuate much less here than in the other states. According to this study the crop appears rarely or never to suffer from insufficient rainfall in the planting season. Usually rain in that season had little relationship to yields but seasons of unusually heavy rains were accompanied by reduced yields. August-September rains are less frequent than in the other states, and the crop tends to suffer from drought then. Temperatures at Perth were used as indicative of the temperatures in the wheat region. October temperatures were indicated to have an important bearing on the yield, high temperatures being quite generally associated with low yields. September temperatures appeared to be too high in occasional years for best yields and occasionally too low.

In the current year August-September rainfall was less than half the normal. It was the lowest for any of the years studied except 1914 when the yield was only 1.9 bushels to the acre. The yield this year as indicated by the rainfall through September is about 6.8 bushels to the acre compared with 10.1 bushels in 1928 and an average of 9.8 in the 17 years studied. Since October temperature is important in Western Australia there is a possibility of considerable variation from this indication.

When the figures for the four states are combined some of the errors of estimate tend to average out and the probable amount of error in the calculation of total production for the four states in the 17 years studied was only 6.5 million bushels, with production officially reported ranging from 22.9 million bushels in 1914 to 161.5 million in 1924.

L. T.

Table 12. - Australia: Wheat production 1911-1929

Year	Production in all Australia	Production in New South Wales, Victoria, South Australia and Western Australia		
		As officially reported	Estimated from officially reported acreages and from yields calculated from weather <u>a/</u>	
	Million bushels	Million bushels		Million bushels
1911-12 .....	71.6	70.7		66.8
1912-13 .....	92.0	89.4		86.3
1913-14 .....	103.3	101.2		106.5
1914-15 .....	24.9	22.9		18.7
1915-16 .....	179.1	177.7		172.9
1916-17 .....	152.4	149.6		151.6
1917-18 .....	114.7	113.4		134.8
1918-19 .....	75.6	75.3		88.4
1919-20 .....	46.0	45.4		51.9
1920-21 .....	145.9	141.6		130.3
1921-22 .....	129.1	125.5		123.6
1922-23 .....	109.5	107.0		107.0
1923-24 .....	125.0	124.4		125.7
1924-25 .....	164.6	161.5		145.4
1925-26 .....	114.5	112.1		101.8
1926-27 .....	160.8	159.9	b/	146.5
1927-28 .....	118.2	113.6	b/	109.6
1928-29 .....	160.5	156.8	c/	---
1929-30 .....	---	---	d/	120.8

Official figures for Australia as a whole are taken from the Quarterly Summary of Australian Statistics. The figures for the four states are taken from the Statistical Registers and Yearbooks of those states and from the Quarterly Summary of Australian Statistics.

a/ Calculated for each state separately from rainfall in the wheat districts as reported by the Pastoral Review. The factors used were rainfall in the periods April-July, August-September, and October, for each state and in the case of Western Australia average monthly temperatures for September and October were used in addition. Results were as follows:

South Australia,  $P = .95-$ ,  $\bar{P} = .91+$ ,  $\bar{Se} = 1.4$  bu.

Victoria,  $P = .93-$ ,  $\bar{P} = .88+$ ,  $\bar{Se} = 1.9$  bu.

New South Wales,  $P = .87$ ,  $\bar{P} = .77+$ ,  $\bar{Se} = 2.5$  bu.

Western Australia,  $P = .93-$ ,  $\bar{P} = .85+$ ,  $\bar{Se} = 1.4$  bu.

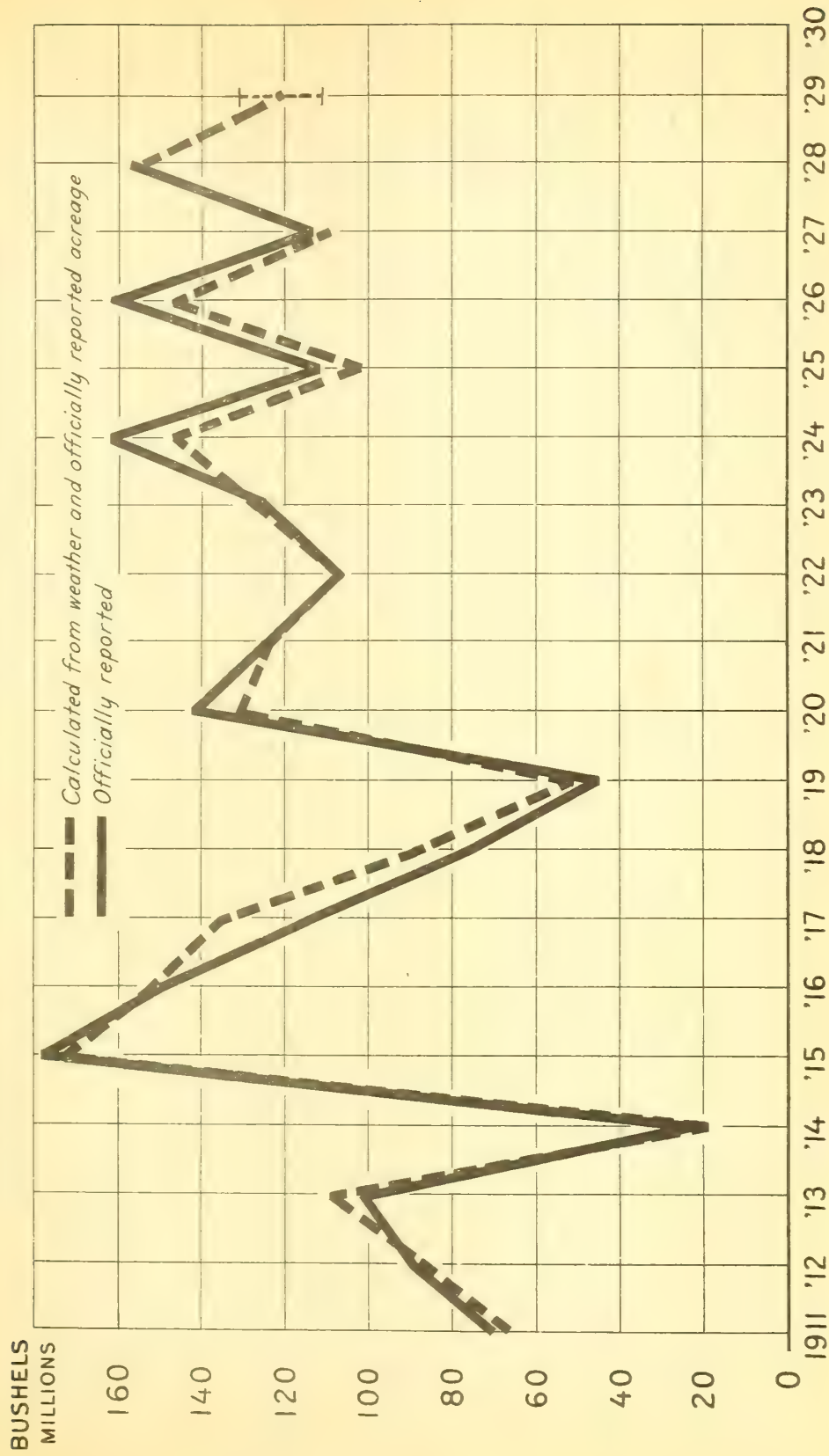
The "corrected" standard error and the "corrected" indexes of correlation are calculated from the following formulas developed for linear correlation:

Notes continued on page 33





# AUSTRALIA: WHEAT PRODUCTION IN FOUR STATES





$$Se = \sqrt{\frac{\sum Z^2}{n-m}}$$

$$P = \sqrt{1 - \frac{Se^2}{\sigma_m^2}}$$

Where: Z = deviation of calculated yields from the actual  
 n = number of observation  
 m = number of variable

In using these formulas for the curvilinear correlation of this study it is assumed that the introduction of a curve in a regression has the same effect as the introduction of an additional variable. Hence m is made equal to the number of variables plus the number of regressions which are curvilinear.

b/Includes for Western Australia calculation from study excluding temperatures, P = .72, P̄ = .53.

c/Weather data not available.

d/For August-September rainfall the data for 9 representative districts were used as indicative of the entire wheat areas, and for October, average rainfall was assumed. Assuming production in other parts of Australia to be 3.7 million bushels, the same as last year, the total for all Australia would be 124.5 million bushels. Allowing Se = 10 million the probable crop would range between 115 and 135 million bushels.

New export rate on grain to Gulf ports from Omaha  
and other points effective October 10, 1929

Following the 7-cent reduction in the export rate on wheat and corn from Kansas City to the Gulf seaboard, which became effective on October 1, corresponding reductions went into effect on October 10 from Omaha and other markets and country shipping points, according to the new tariffs that have been filed by the railroads with the Interstate Commerce Commission.

The new export rates from some of the principal markets and country shipping points to Galveston and New Orleans, which went into effect on October 10, are as follows, in cents per hundred pounds: The so-called proportional, or re-shipping rate, from Omaha, Nebraska City, and Council Bluffs is  $24\frac{1}{2}$  cents; from Atchison and Leavenworth, Kansas, and from St. Joseph, Missouri,  $23\frac{1}{2}$  cents; the local export rate from Wichita, Kansas, is 37 cents and from McPherson, Kansas, 38 cents. A corresponding reduction of 7 cents per hundred pounds from Des Moines, Iowa, and certain other points, became effective on October 12, making the new proportional or re-shipping rate on wheat  $24\frac{1}{2}$  cents and on corn 23 cents. The new proportional export rate from St. Louis to New Orleans, which goes into effect on October 15 is 11 cents, with a minimum combination rate of  $18\frac{1}{2}$  cents. These reductions will also apply to other points not here mentioned; in fact, the 7-cent reduction will apply generally throughout the southwestern territory when all of the new tariffs are in effect, and in addition to wheat and corn, the new rates also apply to flour, cornmeal, and other products of wheat and corn.



UNITED STATES DEPARTMENT OF AGRICULTURE  
Bureau of Agricultural Economics  
Washington

F.S.  
WH-41

October 21, 1929

FOREIGN NEWS ON WHEAT

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UNITED STATES DEPARTMENT OF AGRICULTURE  
Bureau of Agricultural Economics  
Washington



F.S.  
WH-42

November 18, 1929

FOREIGN NEWS ON WHEAT

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WORLD WHEAT CROP AND MARKET PROSPECTS

The world's supply of wheat for the remainder of the 1929-30 marketing season is considerably less than for the corresponding period of the past season and prices are expected to improve within the next two months, according to the United States Department of Agriculture.

The world's crop appears likely to be about 3,400,000,000 bushels, 530,000,000 bushels less than last year and 120,000,000 bushels less than the average of the past five years. The reduction in production is offset to some extent by an increase in carryover. Stocks accounted for at the beginning of the season amounted to 593,000,000 bushels, or 170,000,000 bushels more than on July 1, 1928. The increase in carryover, however, leaves the world supply 360,000,000 bushels short of last year. The total supply is but slightly larger than the average for the past five seasons, when British parcels prices averaged about 160 cents per bushel.

The world visible supply is about 250 to 300 million bushels greater than would normally be expected from the present world crop, but the world will consume this amount in one month and it is to be spread over nine months.

In looking at the large world visible supply of about 500 million bushels, the fact that the supply remaining to come forward has been greatly reduced must not be overlooked. Practically all of the increase in visible supply over what might normally be expected is in the United States and Canada. The visible supply of Canadian wheat amounts to over 200 million

bushels, but there is only about 50 million bushels more to come forward from the farms of that country. The visible supply in the United States amounts to about 200 million bushels, but receipts are declining and the wheat remaining on farms in the United States is now less than last year. Australia and Argentina have about cleaned up old wheat stocks and the prospect is that the new crops will be about 150 million bushels less than in the past season.

Shipments from surplus producing countries July 1 to November 9 are reported to be 72 million bushels behind shipments from the same countries in the past season, but the total supply from which the shipments for the season are to be drawn is about 400 million bushels short of the available supply for the past season.

The elevators of many European ports are reported to be about full. Mr. Foley cables that the ordinary wheat storage space in Liverpool is filled but that ships and other space are being utilized to store grain. The Berlin office cables that the elevator space at Continental ports is scarce. Barges are used to supplement elevators in storing grain. The stocks at these European ports, however, are small. Ordinarily the grain moves from the ports about as rapidly as it is received without much accumulating. Any decline in shipments to these ports would result in a reduction in stocks in a very short time.

Evidences of relief from the effects of large visible stocks of wheat are beginning to appear. Receipts in the United States and Canada are declining. The visible supply in the United States has apparently reached its peak and has begun to decline. The weekly Argentine shipments of old wheat have been reduced and little remains to be shipped from Australia. Our

Agricultural Commissioner in Berlin reports smaller stocks of wheat on farms and a reduction of stocks in Berlin. Smaller shipments are in prospect from the Danube countries. All of these facts point to the possibility of a fairly rapid reduction in the visible supply through the next few months.

Apparently the decline in the price of stocks contributed to the recent decline in wheat prices. It is not to be expected, however, that the consumption of wheat will be affected adversely by the decline in the prices of stocks. A decline in the general price level of all commodities probably would reduce the wheat price level to some extent. It seems likely that after the futures markets become somewhat stabilized, wheat prices will readjust to a normal supply-price relationship for the season.

Taking into account developments in the season to date, it is estimated that the average price of wheat in British markets (British parcels) for the season July 1, 1929 - June 30, 1930 will average 150 to 160 cents per bushel as compared with 129 cents for the past season. In the United States the price of soft red winter will probably average about the same, and the prices of other classes of wheat about 20 cents per bushel higher, than in the past season. This will require the average prices for the remainder of the season to be from 10 to 15 cents per bushel higher than in the first week of November. Prices are likely to begin to improve within a few weeks and be considerably above the present level in January and February.

World Production and Crop Conditions

Forecasts and estimates in 35 countries to date indicate a production of 3,024,000,000 bushels, 403 million bushels less than last year when these countries produced over 85 per cent of the world's crop outside of Russia and China. Weather conditions to date seem to indicate a yield of about 11 bushels per acre in Argentina, which upon the acreage reported planted would result in a crop of about 215 million bushels compared with 340 millions last year. Australia indicates a crop of about 112 million bushels, compared with 160 millions produced last year. A private correspondent indicates a smaller crop in Australia. It seems likely that world production, outside of Russia and China, for the season will be about 530 million bushels short of last year.

Table 1. - WHEAT: World supply, price and disappearance,  
1923-1929

Year	Production					
	United States	Canada	Argentina	Australia	Europe a/	all other b/
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
1923-24	797	474	248	125	1,257	650
1924-25	834	362	191	135	1,058	610
1925-26	676	395	191	115	1,397	657
1926-27	831	407	221	161	1,210	596
1927-28	878	460	239	118	1,368	678
1928-29	902	567	340	160	1,409	552
1929-30c/	792	294	(215)	112	1,397	590
	World production b/	Shipments from Russia	Stocks accounted for July 1	Total supply	Total disappearance	Average price per bushel British pounds
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Cents
1923-24	3,851	21	305	3,977	3,628	121
1924-25	3,150	1	349	3,500	3,209	179
1925-26	3,441	27	291	3,759	3,484	170
1926-27	3,426	49	275	3,750	3,403	164
1927-28	3,661	5	347	4,013	3,592	154
1928-29	3,930	0	421	4,351	3,758	129
1929-30	3,400	0	393	3,993	(3,550)	110 - 160

a/ Excludes Russia.

b/ Excludes Russia and China.

c/ Preliminary.



Crops in the Southern Hemisphere

The outturn of the Australian and Argentine crops is still somewhat uncertain but it now seems reasonably certain that the crops of these two countries will be about 150 million bushels short of the past season. Private reports as to the probable outturn of the Argentine crop vary from around 200 to 240 million bushels. A cable from the International Institute reports an estimate of the Australian crop at 112 million bushels. A private correspondent in Australia, however, estimates the crop at about 90 to 100 million bushels. He says that in the latter part of September the eastern states had two weeks of very severe drought, accompanied by night frosts. This retarded the development of the crop and in some centers growers commenced to feed off the wheat with their sheep. Since September, however, there has been some rain. The crop of Western Australia was progressing satisfactorily until in August when a dry period materially affected the crop. He now reduces his estimate of the crop of Western Australia from 45 to 30 or 35 million bushels.

Shipments from the Southern Hemisphere have slowed up. Little remains of the old crop in Australia and shipments are averaging only about 500,000 bushels per week. A considerable amount of old wheat still remains in Argentina, but shipments have declined.

Canada

The November official report makes practically no change in the estimates of the Canadian crop, leaving it 294 million bushels, compared with 567 millions produced last year. Autumn conditions are not favorable for the 1930 crop. The rainfall from the beginning of September to date has been heavier than a year ago but still below normal. It has been demonstrated that moisture in the ground from fall rains is an important factor in making the Canadian crop. Only about an average or less than average crop could be expected from the precipitation received this fall to date.

The Canadian crop has moved rapidly to market and only a small proportion of the crop remains in the hands of the producers. Adding estimated production to stocks on farms, August 1, indicates a total farm supply of about 300 million bushels, compared with 570 million bushels last year. Receipts at country elevators and platform loadings, August 1 to November 1, have amounted to about 175 million bushels, as compared with 250 millions last year, leaving in the hands of producers only about 125 million bushels as compared with 320 millions last year. A Canadian authority estimates that only about 50 million bushels more are to be marketed.

The Canadian visible supply, including country elevator stocks, is very large, amounting on November 2 to about 213 million bushels, as compared with 158 millions last year. The country elevator stocks were about 70 million bushels the same as a year ago. The increase in the visible supply is in terminal elevators and is due both to a more rapid movement in the grain from farm to market, and to a slower export movement than last year. There are larger supplies of Canadian wheat in the United States, in Canadian eastern seaboard points, in the Lake ports, and at Fort William and Port Arthur. Apparently the storage capacity at many points is about filled to the limit of working capacity.



## Canada: Exportable surplus of wheat

	Bushels
Production, 1929 .....	293,899,000
Carryover, July 31, 1929 .....	<u>104,426,000</u>
Total supply .....	398,325,000
Loss in cleaning and grain not merchantable....	10,000,000
Available supply.....	388,325,000
Seed and food.....	90,000,000
For export and carryover.....	298,325,000
Exports:	
August .....	13,051,000
September .....	9,626,000
October (rough estimate).....	<u>15,000,000</u>
	<u>37,677,000</u>
Balance November 1 .....	260,648,000
Carryover, July 31, 1930.....	<u>1/60,000,000</u>
Probable exports, Nov. 1-July 31.....	<u>1/200,000,000</u>
<u>1/</u> Approximate figure.	

Canadian exports have fallen far behind last year. Shipments from Port William, Port Arthur, Vancouver and Prince Rupert, from July 1 to November 8, have amounted to 85 million bushels, compared with 196 millions in the corresponding period of last season. Facing a large crop, Canada shipped large quantities of old wheat in July and August last year, to clear the way for the new crop. Facing a crop only about half as large at the beginning of the present season, she has shipped a little less than half as much old and new wheat. Much of the wheat shipped from the head of the Lakes is held in eastern elevators to be exported during the winter.

Last year Canada exported 408 million bushels of wheat including flour, and had a carryover of 104 million bushels at the end of the year. This year she can not export more than 200 million bushels without reducing the carryover. Taking into account the usual loss in cleaning, seed, and feed, and allowing for a moderate carryover, Canada may be expected to export about 240 million bushels. About 40 million bushels having been exported leaves approximately 200 million bushels to be exported in the period November 1 to July 31, as compared with about 300 millions exported in the corresponding period of the past season.

The Canadian crop is grading considerably higher than last year. Inspections through October graded 87 per cent No. 3 and above, as compared with 39 per cent last year. The durum crop appears to be smaller than last year. In these three months inspections of durum amount to 6,500,000 bushels as compared with 14,950,000 in the corresponding months a year ago.

Canadian prices are averaging higher than a year ago, and the prices of the different grades are closer together. The averages of prices during the last week of October are given below, in comparison with a year ago.

Table 2 - Winnipeg: Wheat prices.

Grade	Weekly average price per bu	Weekly average price per bu
	October 21-26, 1929	October 22-27, 1928
	Cents	Cents
No. 1 hard.....	136.0	No quotations
No. 1 northern....	135.8	122.4
No. 2 northern....	132.7	114.8
No. 3 northern....	128.6	109.7
No. 4 northern....	125.3	101.1
No. 5 northern....	115.1	89.4
No. 6 northern....	94.1	78.4
Feed.....	81.3	73.5

Canadian Grain Statistics.

The low grade and low priced wheat competition from Canada will be much less than in the past season.

The United States

The supply of wheat remaining in the United States to be marketed is probably not very different from that of a year ago. The total supply at the beginning of the season - production plus carryover - was about the same as at the beginning of the last season. Farmers, however, indicated intentions to sow a larger area of winter wheat and therefore use more seed. This accounted for exports to November 9 total 64 million bushels, compared with 73 millions in the corresponding period of a year ago. It is estimated that mill consumption for the first three months of the season totaled 151 million bushels as compared with 146 millions in the corresponding months of the previous season. Data as to October consumption are not yet available. Assuming that it equaled October last year, it would appear that the total amount of wheat remaining in the country available for carryover, consumption and export is about the same as a year ago.

The most striking feature of the wheat situation in the United States is the large visible supply, which according to reports to the Bureau of Agricultural Economics on November 9 totaled about 200 million bushels. This is nearly one-third of what farmers have to market from the 1929 crop. Beginning the season at a high level stocks increased rapidly through July and August, reaching a peak toward the end of October. During the past two weeks stocks have declined. Apparently this marks the beginning of the end of a period of heavy marketings and congested terminals.

Some questions have been raised as to what the United States will do with all the wheat on hand. Adding carryover and 20 million bushels of Canadian wheat to be ground in bond, there would be a total supply of 1,057,000,000 bushels to be utilized, exported and carried over into the next season. Assuming that 90 millions are used in seeding, 520 millions are utilized in mills for domestic consumption, and 50 millions are fed on the farm, there would be 397 million bushels for export and carryover. Last year carryover amounted to 245 million bushels. This can be reduced to 150 millions by exporting 247 million bushels of wheat including flour. Since we have already exported 64 million bushels, there would be 183 million bushels or about 23 millions per month, to be exported for the remainder of the season. This is a large amount but it can be moved as in the 1920-21 season: 221 million bushels were exported in these months. Exports from the United States in the remainder of the season may not quite reach 180 million bushels but smaller supplies to come from Australia, Argentina and Canada will leave the way open for exporting large amounts from the United States.

Grindings of wheat by Commercial Mills (for domestic consumption and export)

Months	1928	1929
	<u>1,000</u> bushels	<u>1,000</u> bushels
July	42,713	45,869
August	51,427	54,212
September	51,773	50,849
October	56,987	
November	48,760	
December	45,449	
January	49,170	
February	44,364	
March	45,130	
April	42,345	
May	45,782	
June	<u>43,678</u>	<u>          </u>
Total	567,578	

Report of stocks of all grain at principal markets as of  
November 9, 1929

Domestic wheat in store and afloat, as reported for markets in the United States, decreased 2,933,000 bushels during the week ended November 9, as compared with an increase of 177,000 bushels during the corresponding week a year ago. Stocks of grain at Kansas City decreased less than one per cent during the week. Both private and public elevators remain practically filled. Stocks in public elevators at Chicago decreased one per cent and in private elevators the decrease amounted to 1.7 per cent, making a decrease of 1.5 per cent in total stocks there during the week. At Minneapolis there was practically no change in public elevators but in private elevators there was a small increase of about two per cent, bringing the total increase to 724,000 bushels during the week. Stocks at Duluth and Superior remained unchanged. Receipts of wheat decreased to a small extent at Chicago, Kansas City, Minneapolis, and Duluth, with the greatest decrease at Minneapolis as compared with the previous week. The decrease at Minneapolis for the week was 389,000 bushels.



Table 3.- WHEAT, DOMESTIC: Stocks in store and afloat, United States markets, July 7, 1928 - January 27, 1929 and July 6, - November 9, 1929

Week ended	Stocks		Increase over previous week	
	1928	1929	1928	1929
	:1,000 bushels:	:1,000 bushels:	:1,000 bushels:	:1,000 bushels:
July 6 .....	38,839	93,364	252	2,922
13 .....	38,837	93,763	- 02	5,399
20 .....	42,873	104,990	4,036	6,227
27 .....	52,421	116,149	9,548	11,159
Aug. 3 .....	65,241	135,813	12,820	19,664
10 .....	72,811	156,297	7,570	20,484
17 .....	82,590	171,508	9,779	15,211
24 .....	88,239	179,015	5,649	7,507
31 .....	93,870	186,051	5,631	7,036
Sept. 7 .....	97,377	187,991	3,507	1,940
14 .....	101,344	192,046	3,967	4,055
21 .....	109,187	195,025	7,843	2,979
28 .....	115,469	197,443	6,282	2,418
Oct. 5 .....	123,797	199,157	8,328	1,714
12 .....	128,989	200,517	5,192	1,360
19 .....	134,706	201,023	5,717	506
26 .....	138,486	202,620	3,780	1,597
Nov. 2 .....	139,493	202,461	1,007	- 161
9 .....	139,670	a/ 199,528	177	-2,933
16 .....	138,369		-1,301	
23 .....	138,908		539	
30 .....	140,172		1,264	
Dec. 7 .....	139,830		- 342	
14 .....	141,349		1,519	
21 .....	142,092		743	
28 .....	144,351		2,259	
Jan. 4 .....	142,326		-2,025	
11 .....	138,685		-3,641	
18 .....	134,804		-3,881	
25 .....	133,262		-1,542	

Compiled from commercial grain stocks in store in principal United States markets, as reported to the market news service of the Bureau of Agricultural Economics.

a/ Preliminary.



### Prices

In the week ending November 14 future closing prices reached new lows for the season. Prices recovered some of the loss during the two days at the close of the week, however, on the strength of firmness at Liverpool and reports of a larger volume of exports at the lower prices.

The cash wheat markets did not reflect to a very great extent the drop in future closing prices during the week ended November 8, as the weekly average price of most classes of wheat made only moderate declines while that of hard red spring advanced slightly. The weighted average cash price of all classes and grades at all markets only declined one cent to 120 cents per bushel as compared with 108 cents a year ago. The class of durum made the greatest decline of the week and No. 2 amber at Minneapolis declined four cents to 118 cents. No. 2 red winter at St. Louis and No. 2 hard winter at Kansas City each declined one cent to 130 and 118 cents respectively, while the price of No. 1 dark northern spring at Minneapolis advanced two cents to 130 cents per bushel. The price of western white, as indicated by the average of daily cash quotations at Seattle declined two cents to 119 cents as against 115 cents a year ago. Cash prices have become weaker since November 8. The spread between cash closing prices at Minneapolis and Winnipeg narrowed three cents during the week to six cents in favor of Winnipeg as compared with a spread of one cent in favor of Minneapolis last year.

It now seems necessary to reduce our previous estimates of the probable average of prices for the season in markets of the United States. The world supplies for the present season and the past season are now indicated to be larger than they were estimated to be at the beginning of the season. The depression of prices in September and October by the heavy early marketings of grain in Europe and large stocks in the United States, together with a decline in the price level and some depression in speculative markets, indicates that the average for the season is not likely to reach the level indicated earlier in the year. The approximate average price for the season to date, the average for the week ended November 8, 1929, and the estimated average prices for the season by classes at principal markets, are as follows:

	Price per bushel		
	Average of weeks July 5-Nov. 1	Average, week ended Nov. 8, 1929	Probable average prices for the season
	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>
No. 2 hard red winter, Kansas City...	123	118	125-135
No. 2 red winter, St. Louis.....	133	130	135-145
No. 1 dark northern spring, Minneapolis.....	139	130	140-150
No. 2 amber durum, Minneapolis.....	129	118	130-140
No. 1 western white, Seattle.....	125	121	125-135

Prospects for new crops will, of course, have some influence upon these averages and will materially affect the course of prices in the latter part of the season.

Table 3 - WHEAT: Closing price of September and December futures

September futures												
Date	Chicago	Kansas City	Minneapolis	Winnipeg	Liverpool	Buenos Aires a/						
	1928	1929	1928	1929	1928	1929	1928	1929	1928	1929	1928	1929
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Aug 29:	110:	132:	103:	127:	109:b/134:b/111:b/154:b/131:b/140:	114:	115					
Sept 5:	110:	132:	103:	127:	108:b/134:b/111:b/152:b/130:b/142:	114:	120					
December futures												
Oct	12:	113:	144:	107:	137:	110:	145:	110:	158:	129:	149:b/110:c/122	
	19:	115:	139:	109:	135:	112:	140:	116:	151:	131:	144:b/110:c/118	
	26:	118:	137:	112:	131:	115:	141:	116:	148:	135:	138:b/113:c/113	
	3:	118:	133:	112:	128:	114:	137:	118:	142:	136:	138:b/113:b/114	
	10:	117:	135:	111:	130:	113:	137:	118:	148:	135:	141:	117:c/126
Nov	17:	115:	130:	110:	125:	111:	133:	118:	144:	136:	135:	117:c/122
	24:	113:	120:	107:	114:	109:	122:	117:	132:	134:	130:	116:c/118
	31:	116:	128:	111:	122:	112:	131:	119:	140:	137:	134:c/116:c/119	
	7:	114:	123:	108:	117:	110:	126:	118:	134:	134:	129:c/116:c/116	
	14:	116:	116:	110:	111:	111:	120:	120:	128:	135:	120:c/115:c/114	
	21:	117:	:	110:	:	112:	:	119:	:	135:	:	c/116:
	28:	115:	:	109:	:	111:	:	117:	:	134:	:	c/113:
	:	:	:	:	:	:	:	:	:	:	:	:

a/ Prices are of day previous to other prices.

b/ October futures.

c/ February futures.

Table 4 - WHEAT: Weighted average cash price at stated markets

All classes: No. 2 : No. 1 : No. 2 : No. 2 : Western												
Week ended	and grades:	hard winter:	dk. n. spring:	amber durum:	red winter:	white						
	six markets:	Kansas City:	Minneapolis:	Minneapolis:	St. Louis	Seattle a/						
	1928	1929	1928	1929	1928	1929	1928	1929	1928	1929	1928	1929
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Aug 23:	108:	128:	104:	122:	123:	141:	109:	131:	127:	134:	112:	128
30:	110:	123:	106:	120:	122:	134:	109:	127:	144:	130:	113:	125
Sept 6:	110:	128:	106:	125:	125:	137:	104:	132:	147:	138:	113:	126
13:	107:	130:	105:	126:	123:	140:	104:	131:	143:	137:	115:	126
20:	108:	128:	107:	125:	126:	138:	107:	127:	145:	134:	116:	123
27:	111:	125:	110:	123:	130:	133:	109:	121:	146:	135:	117:	120
Oct 4:	107:	126:	110:	124:	125:	135:	109:	127:	145:	133:	118:	121
11:	109:	128:	111:	125:	124:	137:	113:	131:	149:	136:	120:	122
18:	105:	125:	109:	121:	121:	134:	108:	131:	147:	132:	120:	120
25:	105:	119:	107:	117:	119:	127:	115:	122:	138:	128:	117:	118
Nov 1:	110:	121:	112:	119:	124:	128:	121:	122:	140:	131:	117:	121
8:	108:	120:	110:	118:	122:	130:	114:	118:	141:	130:	115:	119
15:	109:		113:		123:		110:		146:		117:	
22:	110:		114:		125:		118:		145:		118:	

a/ Weekly average of daily cash quotations basis No. 1 sacked 30 days delivery.

Wheat markets in the Orient

Prospects for marketing American wheat in Japan this season are considered more favorable than last year, according to Commissioner Nyhus. American wheat prices are favorable to the importation of American wheat, whereas last year the price differential was decidedly in favor of Canadian wheat. Although Japanese wheat imports for the year beginning October 1 are expected to be about 25,000,000 bushels against 28,000,000 bushels last year, the imports of American wheat are expected to amount to about 15,000,000 bushels compared to only 3,800,000 bushels last year.

Japanese buying of foreign wheat has been slow this season but heavy purchasing is expected to follow the recent improvement in the exchange value of the yen as native supplies are short this season. The Chinese embargo on exports of wheat from Manchuria together with price considerations will practically eliminate Manchuria as a source of supply. Japanese flour millers, however, anticipate somewhat smaller operations than during the past season due to a general business depression and weak domestic market and a poor export demand as a result of American competition in the north China flour market.

Flour prices at Shanghai continue too low to warrant millers purchasing foreign wheat according to a cable from Mr. Nyhus. An early decline in the milling industry is expected as receipts of domestic wheat are small and quotations on foreign wheat are above the price at which contracts may be made profitably. An inactive demand from north China contributes to the weakness of the flour market. The largest flour milling company in Shanghai is planning to close down more than half of its present milling capacity at the close of November and one miller who had contracts for possible December wheat shipments has sold his space. Native wheat is quoted at \$1.12 per bushel and native flour at \$1.29 per bag. United States western red No. 2 was quoted at \$1.36 per bushel on November 11. Quotations for Canadian were higher than American wheat excepting for grade 6 and feed wheat and Australian wheat is materially higher than either American or Canadian wheat.

The Tientsin flour market is overstocked according to a report from Vice Consul Paschall at Tientsin. Stocks on September 30 were estimated at more than 5,000,000 bags or two and one-half times the normal supply.



Table 6a - TIENTSIN: Wheat flour cleared through the customs,  
July 1926 - August 1929

Month	1926-27	1927-28	1928-29	1929-30
	<u>1,000 pounds</u>	<u>1,000 pounds</u>	<u>1,000 pounds</u>	<u>1,000 pounds</u>
July .....	32,602	28,894	18,158	95,040
Aug .....	7,000	18,140	22,318	60,840
Sept .....	2,012	15,105	37,078	
Oct .....	3,474	16,887	33,284	
Nov .....	5,384	24,920	9,385	
Dec .....	5,362	38,477	30,984	
Jan .....	999	4,829	55,981	
Feb .....	3,195	28,797	23,064	
Mar .....	6,862	47,723	74,021	
Apr .....	29,216	50,148	97,115	
May .....	28,962	38,955	79,672	
June .....	24,864	49,451	69,882	
Total .....	149,832	362,326	550,942	

The Continental European wheat market situation during October 1929 a/

Price developments in the Continental European wheat market the past month have varied considerably with a somewhat firmer tone becoming evident as pressure due to the heavy movement from surplus areas and large farm marketings has lessened. Takings of overseas wheat increased to some extent, especially by the Belgian flour mills and the German mills of the lower Rhine. Business in the flour trade elsewhere, however, remained restricted. Trade stocks of wheat still appear rather large, because of heavy marketings of continental wheat but the reduced imports of overseas wheat have apparently reduced the weight of port stocks especially in some important countries. Antwerp stocks of wheat on October 15 appeared to be considerably below the previous month, and there is also reason to believe that larger import purchases in Italy will have resulted in a decline of port stocks, following a period of very small imports (July-September). Farm deliveries showed a declining seasonal tendency.

Business in Danubian surplus regions continued fairly good with price movements indicating that the surplus available for export is gradually becoming short. This development continued to the end of October when European prices generally became resistant compared with overseas prices, thereby approaching import parities in most sections.

a/ By Assistant Agricultural Commissioner Owen L. Dawson, Berlin, Germany, October 24, 1929. Supplemented by cable.

Rye prices in central Europe declined considerably, with a sustained tone in the Danubian countries. Marketings of rye became less pressing during October, with farmers occupied in autumn work.

Dealing in feed grains continued active as reported around the middle of September. Price developments were mixed, but feed barley prices appeared generally well maintained, while corn prices declined, as the trade points out, as a result of unfavorable relation to barley prices. As a result corn was somewhat neglected compared with barley, but still considerable quantities were taken by the Scandinavian countries and the Netherlands. Germany's demand for barley was also important, notably for Danubian. More overseas barley was purchased toward the end of October as farm deliveries in Rumania and Bulgaria are now much slower as farmers are busy with the corn harvest. Business in oats was quiet, but rather good demand for German oats developed for shipment to England and the Netherlands at sustained prices. Shrinking fodder crops stocks probably added to the maintenance of the revival in demand for feed grains.

There has been little revision in the estimates of the Continental wheat crop, the chief exception being Spain which shows a slight raise. It is to be noted that the distribution of this year's crop has changed materially compared with a year ago; the surplus countries show a decrease of about 20 per cent whereas the deficit countries show an increase of about 6 per cent. The quality of this year's crop is quite generally high compared with the average. In some cases the quality is said to be even superior to that of last year.

The Continental wheat crop would, on basis of the following figures, be about 1 per cent below 1928 or about 11 per cent above the average 1924-1928.

Autumn sowing on the European continent is progressing quite favorably, though earlier drought caused delay. The Danubian countries still complain of lack of rain and resultant delay in the sowing campaign.

#### Germany

The market for domestic wheat was comparatively active during the first half of October. The market for foreign wheat continued very quiet except for temporary periods of activity. During the first half of October flour mills in western Germany showed an increased demand for foreign wheat. Flour business as a rule was quiet with purchases mainly for current needs. Farm offerings of wheat which were pressing during August and the first half of September have decreased as usual this time of the year owing to farmers being busy with field work.

Prices of domestic wheat which showed a declining tendency toward the end of September recovered during the first ten days of October but following October 10 again declined. This increase of prices was attributed



to the new government order, effective October 1, which obliges flour mills to use a larger percentage of domestic wheat during the first part of the season than was required by the original order. According to the new order the minimum proportion of all wheat milled required to be domestic wheat still stands at 30 per cent for the whole year but was increased from 40 to 45 per cent for the period from August 1 to November 30 and specified at least 50 per cent for October and November.

The following table shows the development of domestic wheat and rye spot prices:

Table 7.- GERMANY: Price per bushel of domestic wheat and rye, August 14 - October 30, 1929

Date	Wheat			Rye	
	Hamburg a/	Breslau b/	Berlin c/	Berlin d/	
	Cents	Cents	Cents	Cents	
Aug 14 .....	180	159	160	114	
21 .....	174	158	157	117	
28 .....	165	152	147	111	
Sept 4 .....	165	152	152	119	
11 .....	160	150	147	114	
13 .....	159	147	146	111	
25 .....	155	145	144	109	
Oct 2 .....	156	145	145	109	
9 .....	164	148	153	112	
16 .....	163	148	151	106	
22 .....	161	147	149	107	
30 .....	160	145	147	104	
Nov 6 .....	159			97	
13 .....	154			96	

a/ Wheat of any German district of at least 58.7 pounds per Winchester bushel.

b/ Wheat of any German district in carloads of 370 bushels of at least 58.7 pounds per Winchester bushel.

c/ "Märkischer" wheat of 58-59 pounds per Winchester bushel.

d/ "Märkischer" rye of at least 56 pounds per Winchester bushel.

Wheat imports in September were very small amounting to 3,564,000 bushels as compared with 5,266,000 bushels in August 1929 and 3,452,000 bushels in September 1928. Exports of wheat in September were very large, being 1,121,000 bushels, compared with 425,000 bushels in August and 584,000 bushels in September 1928. Visible stocks in the interior of the country have continued to increase during September. Wheat stocks in Berlin increased from 536,000 bushels on August 31, to 764,000 bushels on September 30 then declined to approximately 700,000 bushels on October 31 compared with a quantity of 625,000 bushels on October 31, 1928. Rye exports have increased considerably in September, but remained smaller

than in the corresponding months of last year. The rye stocks in the channels of trade are unusually large and this partly explains the depressed rye situation. Visible rye stocks in Berlin were 1,968,000 bushels on September 30, compared with 1,252,000 bushels on August 31, 1928, and 409,000 bushels on September 30, 1928.

The farm stock figures recently published by the German Agricultural Council show that total stocks and stocks available for sale indicate smaller reserves than last year for winter and spring wheat.

Table 6.- Total farm stocks and stocks available for sale on German farms (in per cent of total crop).

Crop	Total stocks		Available for sale	
	Oct. 15, 1928	Oct. 15, 1929	Oct. 15, 1928	Oct. 15, 1929
	Per cent	Per cent	Per cent	Per cent
Winter wheat	76.4	67	65.1	54
Spring wheat	90.0	86	80.7	73
Winter rye	71.1	72	46.1	43
Winter barley	50.4		30.6	
Spring barley	68.1	78	53.0	50
Oats	37.4		37.9	
Potatoes	34.0	81	42.1	29

The following table on the distribution of wheat and rye quality shows that the best qualities of both wheat and rye have somewhat larger shares than last year when a good quality crop was harvested. It appears that the quality of domestic bread grain is better than in normal years and that, therefore, somewhat less than the usual proportion of high quality wheat for mixing is required. However, the much smaller crop this year will result in increased net requirements over last year when the quality was also good.

Table 9.- GERMANY: Weight of wheat and rye per measured bushel, 1927-1929

Year	Winter wheat			Winter rye		
	Less than 57 pounds	57-59 pounds	Over 59 pounds	Less than 53 pounds	53-55 pounds	Over 55 pounds
	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent
1927	28	43	29	31	46	23
1928	7	36	57	7	38	55
1929	10	29	61	6	33	61

France

Wheat markets in France which were rather firm and active toward the end of September and at the beginning of October weakened later on. Prices were about the same as a month ago. Takings of flour mills were much restricted as flour sales were slow. Farm deliveries remained small during the whole period because of the sowing campaign and the harvest of late crops which kept farmers busy. It is still hoped that the Government will take action on the relief measures discussed in our last report. Estimates of the quantity harvested are still greatly at variance, with the quality reported unusually good.

Weather conditions remained dry throughout September and the sowing campaign was, therefore, delayed. Abundant rainfall in October improved the situation greatly and it is hoped that no damage will result from this delay.

Italy

The Italian flour mills which had only very limited requirements for overseas wheat in recent months in October started to buy foreign wheat. It is evident that quantities of high gluten wheat have to be imported for mixing purposes despite the good domestic crop. The demand for Hungarian wheat has recently become rather active. Prices for domestic wheat increased somewhat but the price level remained mostly below the import parity.

The Netherlands and Belgium

Wheat markets in Holland and Belgium experienced a revival of business during the first half of October after a long period of business stagnation. Domestic as well as German flour mills were active buyers especially of spot grain and near positions. The visible wheat stocks of Antwerp which showed a considerable increase during September declined from 3,738,000 bushels on September 30 to 1,446,000 bushels on October 15 but at the end of the month were larger than at the beginning of the month. After October 15 transactions in wheat again became unimportant and prices tended downward.

Danube Basin

Active export business of wheat continued in the surplus producing countries of the Danube Basin, and prices showed a firm tendency through October, contrary to developments in foreign markets. With surplus supplies in these regions gradually being reduced, prices are improving their parity compared with overseas wheat. Danubian shipments



of wheat and wheat flour by sea continued heavy and railroad shipments to Austria, Czechoslovakia, and Italy also seem to have increased considerably during September and October.

Trading in Austria and Czechoslovakia was better than in surrounding import markets, interest centering chiefly around Danubian varieties.

Visible stocks of grain and flour held in public and cooperative warehouses in Hungary were as follows:

	<u>Wheat</u> 1,000 <u>bushels</u>	<u>Rye</u> 1,000 <u>bushels</u>	<u>Barley</u> 1,000 <u>bushels</u>	<u>Oats</u> 1,000 <u>bushels</u>	<u>Corn</u> 1,000 <u>bushels</u>	<u>Flour</u> 1,000 <u>barrels</u>
Sept. 18	4,117	1,111	259	370	121	398
Oct. 11	4,635	1,320	345	450	106	375

Business in corn, from the standpoint of the Danubian surplus regions was fairly good and the corn price improved in relationship to prices of overseas origin. Farm offerings are rather small at the present moment, and Danube shipments are hampered, as in the case of wheat, by the low water level in the river due to the long period of drought.

The Yugoslavian Government estimate of the corn crop amounts to 160,649,000 bushels compared with an estimate of only 71,612,000 bushels last year. Bulgaria estimates her corn crop at 41,612,000 bushels compared with 14,802,000 bushels harvested last year. It is considered quite likely that estimates of corn in the Danubian countries are too optimistic.

Negotiations between the Hungarian Export Institute and delegates from Rumania and Yugoslavia are under way aiming at the formation of a joint export syndicate to assure an orderly marketing of the crop.

### Poland

Wheat markets in Poland continued weak throughout October with farm deliveries remaining abundant. Takings of flour mills were limited as a consequence of unsatisfactory flour sales. The high level of interest rates and the general shortage of capital is another reason for the hand-to-mouth policy of flour mills.

According to recent newspaper reports, a new export company will expand foreign markets for Polish grain. Farmers are asking for export bounties. The difficulties are much more pronounced in the rye market than in the wheat market.

### Soviet Russia

Soviet press reports indicate a smaller share of bread grains in total procurings. Developments during the first half of October seem to have been rather satisfactory in Ukraine, Lower Volga region and the consuming regions, but some declining tendency was reported from North Caucasus, Middle Volga, Crimea and central Fertile Region. A steady though slight decline occurred throughout the Union as a whole between October 5 and October 20. Transportation, storing and lately difficulties in providing the grain procurers with sufficient quantities of sacks and sack-cloth are continually reported and the press fears that these difficulties may hamper the further development of the campaign and also possibly result in damage to the quality of the procured grain.

In comparing estimates of this year's crop with last years it must be remembered that estimates of last year's crop were considerably higher in October of last year than in the later revisions. The estimate recently published placed the 1929 crop at 84 million short tons and simultaneously revised the estimate for the 1928 crop downward (from 81 to 80 million short tons). a/ It is interesting to note that estimates of the last year's crop were continually revised downward during 1928-29 from about 86 million short tons at the beginning of October 1928, 82 during the second half of October to the above mentioned figure of 80 million tons.

The foreign press has recently reported export offers of Russian barley, but no definite information as the quantity of the sales effected is as yet available. The question was also raised by some foreign trade papers whether or not exports of Russian barley may be followed by exports of wheat. However, a resumption of Russian wheat exports may be regarded as very unlikely under present conditions, unless the Soviet Government will have to resort to exportation of wheat in order to meet very urgent obligations.

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a/ Our August 30th statement indicated that "the crop of all grains will be not more than 5 per cent above that of 1928 and is more likely to be only 2 to 3 per cent above".



Table 10. - WHEAT: Consumption in specified European countries  
1923-1929

Year	Domestic Production	Net Imports	Consumption
	<u>1,000 bushels</u>	<u>1,000 bushels</u>	<u>1,000 bushels</u>
<u>United Kingdom</u>			
1923.....	57,270	210,000	267,000
1924.....	51,746	216,069	267,815
1925.....	52,918	187,893	240,811
1926.....	51,000	216,616	267,616
1927.....	55,764	211,089	266,853
1928.....	49,762	203,982	253,744
1929.....	(47,500)		
<u>Italy</u>			
1923.....	224,836	70,000	295,000
1924.....	170,144	96,259	266,403
1925.....	240,645	63,870	304,715
1926.....	220,644	87,150	307,794
1927.....	195,809	86,685	282,494
1928.....	226,596	82,000	310,886
1929.....	259,628		
<u>Germany</u>			
1923.....	106,446	30,000	136,000
1924.....	89,199	71,016	160,215
1925.....	118,213	56,158	174,371
1926.....	95,429	93,517	188,946
1927.....	120,522	91,759	212,281
1928.....	141,593	68,493	210,086
1929.....	115,564		
<u>France</u>			
1923.....	275,569	51,000	327,000
1924.....	291,179	41,172	322,351
1925.....	330,340	34,023	364,363
1926.....	231,767	53,286	285,053
1927.....	276,128	53,855	329,983
1928.....	281,285	51,437	332,722
1929.....	319,863		

Table 11.- WHEAT INCLUDING FLOUR: Net imports from principal  
exporting countries, year beginning July 1  
1924-1929

Country	1924- 25	1925- 26	1928- 29	Prel. est. 1929- 30	Net imports reported July 1 to	1925- 29	1929- 30
	Million bushels	Million bushels	Million bushels	Million bushels		Million bushels	Million bushels
United Kingdom	216	188	204	195-210	Sept. 30:	50	60
Italy	96	64	82	60- 70	Sept. 30:	19	9
Germany	71	56	63	30- 90	Sept. 30:	21	23
France	41	34	51	20- 30	Aug. 31:	8	13
Belgium	39	39	41	42- 45	Aug. 31:	7	9
Netherlands	26	27	29	33- 35	Sept. 30:	7	7
Czechoslovakia	23	19	17	15- 17	Aug. 31:	3	2
Greece	23	18	22	16- 18	Aug. 31:	3	3
Irish Free State	19	18	18	15- 19	Aug. 31:	3	3
Austria	16	15	14	14- 17		-	-
Switzerland	14	14	15	16- 18	Sept. 30:	4	7
Sweden	11	6	8	7- 9	Sept. 30:	2	3
Norway	5	6	9	7- 9	Aug. 31:	1	1
Denmark	6	6	17	10- 12	Aug. 31:	2	1
Finland	4	5	6	6- 7	Aug. 31:	1	1
Poland	7	a/ - 2	4	2- 6	Aug. 31:	b/	c/
Spain	a/ - 1	1	15	0- 1		-	-
Estonia	1	1	1	1- 2	July 31:	b/	c/
Latvia	2	2	3	2- 3		-	-
Total	619	517	624			131	142

a/ Net exports.

b/ Less than 500,000 bushels.

Table 12 - WHEAT, INCLUDING FLOUR: Net exports from principal exporting countries, year beginning July 1, 1924-1928 and estimate 1929-30

Country from which exported	1924-25	1925-26	1926-27	1927-28	1928-29	Preliminary estimate 1929-30
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
United States ...	255	92	206	191	142	200-250
Canada .....	194	320	305	305	422	225-260
Russia .....	0	27	49	5	0	0
British India ...	45	8	10	13	a/ -22	0
Hungary .....	15	19	21	22	24	20- 24
Rumania .....	4	8	11	7	2	10- 15
Bulgaria .....	a/b/ -2	4	2	2	1	0
Yugoslavia .....	9	12	10	1	8	10- 20
Algeria .....	a/ -1	5	a/ -1	5	4	0- 5
Argentina .....	125	100	138	178	218	150-175
Australia .....	124	77	97	73	113	55- 65
Total .....	768	672	848	802	912	670-814

a/ Net imports.

b/ Year ended December 31.

Table 13. - WHEAT, INCLUDING FLOUR: Shipments from principal exporting countries

Country	Total shipments or exports	1928-29 a/	Shipments, week ended Oct 26	Nov 2	Nov 9	Net movement from July to and in- cluding November 9	1928-29	1929-30
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Canada:								
Shipments, four markets b/....	353,335	458,649	6,607	5,312	6,218	195,577	84,536	
United States ..	206,259	163,687	2,747	2,466	1,818	73,476	63,667	
Argentina .....	178,135	217,903	4,644	1,158	2,632	39,512	83,272	
Australia .....	72,962	114,272	472	744	528	17,532	18,304	
Russia .....	5,408	8	0	0	0	8	0	
Darube and Bul. c/	32,847	33,842	816	360	896	1,280	9,604	
British India ..	15,668	21,739	0	0	0	2,881	d/- 525	
Total .....	844,614	966,622	15,286	10,040	12,092	330,266	258,318	

Compiled from official and trade sources.

a/ Preliminary.

b/ Shipments from Ft. William, Port Arthur, Vancouver and Prince Rupert.

c/ Yugoslavia, Rumania, Hungary and Bulgaria.

d/ Net imports.



Table 14.- WHEAT: Production in specified countries, average  
1909-1913, annual 1926-1929

Country	Average 1909-1913	1926	1927	1928	1929 prel.
	1,000	1,000	1,000	1,000	1,000
	bushels	bushels	bushels	bushels	bushels
Canada .....	197,119	407,126	479,665	566,726	293,899
United States..	690,108	831,040	876,374	902,191	791,768
Mexico .....	a/ 11,481	10,333	11,890	11,031	11,559
Total (3)...	898,708	1,248,509	1,369,929	1,479,948	1,097,226
EUROPE					
England and Wales.....	50,770	48,683	53,125	47,264	45,472
Sweden .....	8,103	12,153	15,835	19,155	18,724
Netherlands...	4,976	5,487	6,157	7,336	3,766
Belgium.....	15,199	12,801	16,277	17,986	15,995
Luxemburg.....	615	622	702	713	441
France .....	325,644	231,767	276,128	281,285	319,863
Spain .....	130,446	146,599	144,825	119,884	149,251
Italy .....	184,393	220,644	195,809	228,596	259,628
Switzerland ..	3,314	4,244	4,119	4,270	5,791
Germany .....	131,274	95,429	120,522	141,593	115,552
Austria .....	12,613	9,438	11,960	12,915	11,582
Czechoslovakia..	37,879	34,130	40,385	51,499	48,065
Hungary .....	71,493	74,908	76,923	99,211	71,833
Yugoslavia .....	62,024	71,427	56,568	103,294	94,982
Greece .....b/	16,273	12,403	12,970	13,085	13,981
Bulgaria .....	37,823	36,544	42,121	50,691	34,465
Rumania .....a/	158,672	110,883	96,734	115,544	99,758
Poland.....	63,675	52,490	61,093	59,219	60,259
Lithuania .....	3,264	4,180	5,273	6,327	8,818
Malta .....	196	310	294	289	293
Latvia .....	1,475	1,860	2,636	2,499	2,205
Finland .....	137	924	1,064	998	1,077
Total Europe					
(22).....	1,325,458	1,187,926	1,241,530	1,383,653	1,381,807
AFRICA					
Morocco .....	( 17,000)	16,174	24,618	24,746	28,049
Algeria .....	35,161	23,551	28,323	30,302	20,025
Tunis.....	6,224	13,044	8,267	12,125	12,125
Total (3).....	58,385	52,769	61,208	67,173	60,199
ASIA					
India .....	351,841	324,651	334,992	290,864	317,595
Syria & Lebanon:	(4,000)	13,940	14,582	6,490	14,499
Japan .....	25,088	30,188	31,018	30,812	31,101
Chosen .....	6,898	10,517	9,043	8,595	9,963
Total (4).....	387,827	379,296	389,635	336,761	373,158
Australia .....	90,497	160,762	118,200	159,725	112,000
Total all couns					
(33).....	2,760,675	3,029,262	3,180,502	3,427,260	3,024,390
Est.world total					
ex. Russia					
and China	3,401,000	3,426,000	3,661,000	3,930,000	3,400,000

Compiled from official sources and International Institute of Agriculture.

a/ Four-year average

b/ One year only.

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1. The first part of the paper is devoted to a general discussion of the problem of the existence of solutions of the system of equations

$$\begin{cases} \Delta u = f(x, y, z, u, v, w) \\ \Delta v = g(x, y, z, u, v, w) \\ \Delta w = h(x, y, z, u, v, w) \end{cases}$$

where  $f, g, h$  are continuous functions of the variables  $x, y, z, u, v, w$  and satisfy certain conditions.

2. It is shown that if the functions  $f, g, h$  satisfy the conditions

$$\begin{aligned} & f(x, y, z, u, v, w) \leq 0, \\ & g(x, y, z, u, v, w) \leq 0, \\ & h(x, y, z, u, v, w) \leq 0 \end{aligned}$$

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$$\begin{aligned} & f(x, y, z, u, v, w) \geq 0, \\ & g(x, y, z, u, v, w) \geq 0, \\ & h(x, y, z, u, v, w) \geq 0 \end{aligned}$$

then the system of equations has no solutions.

5. The third part of the paper is devoted to a study of the problem of the existence of solutions of the system of equations

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then the system of equations has no solutions.

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UNITED STATES DEPARTMENT OF AGRICULTURE  
Bureau of Agricultural Economics  
Washington

U. S. D. A.  
December 30, 1929

E.S.  
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FOREIGN NEWS ON WHEAT

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WORLD WHEAT CROP AND MARKET PROSPECTS

The world wheat crop outside of Russia and China appears to be about 3,415,000,000 bushels and the disappearance for the season is likely to be about 3,650,000,000, thus reducing the world's carryover at the end of the season about 200 million bushels below what it was at the beginning of the season, according to the United States Department of Agriculture.

The market outlook for the remainder of the season has improved. Shipments from the Southern Hemisphere have declined and the expected reductions in new crops have been confirmed by recent reports. Congestions in Continental European markets are disappearing and the European demand for overseas wheat is beginning to show some evidences of increasing. The advance in cash wheat prices forecast a month ago is under way but large available supplies in the United States tend to hold the advance in check or cause recessions after marked advances.

Since many of the surplus countries have short crops and deficit countries have good crops, the world's trade in wheat for the season will be materially reduced. The surplus production in the principal exporting countries amounts to only about 460 million bushels as compared with 1,035 millions last year. These countries will undoubtedly ship more than this and reduce their surplus stocks. Attempting to match probable imports with exportable surpluses, it seems likely that the international trade in wheat including wheat flour will amount to about 750 to 800 million bushels, as compared with over 900 million bushels in the past season.

European deficit countries have produced more wheat this year than last but their total takings of foreign wheat are likely to be nearly as great as they were in the past season. Some of the important countries such as France and Italy will take less while Germany and some of her northern neighbors will take more than in the past season. As a rule large domestic production and relatively low prices result in heavier consumption. France and Germany have undertaken special measures to strengthen the domestic markets for their own producers, but for the entire season these measures are not likely to reduce their takings very much below what they would have been without such measures. Larger corn crops in the Balkan countries are releasing larger supplies of wheat for export from those countries and in Italy will reduce somewhat the consumption of wheat. Considering all these factors it is possible that the European takings of overseas wheat in our marketing season, July 1 to June 30, will be reduced by 50 to 100 million bushels.

Non-European countries are also likely to reduce imports. Not much change is to be expected in the takings of the Central and South American countries. The Orient has taken a fairly good share of the shipments in the first half of the season but, with fairly large stocks of flour in China, takings for the remainder of the season are likely to fall considerably short of the amount taken in the corresponding months of the past season. It is possible that non-European takings for the season, which last year amounted to about 225 million bushels, will be reduced to about 160 millions for the present season.

The Balkan and Southern Hemisphere countries have furnished a large share of the international trade in wheat in the first half of the season. Recently the shipments from these sources have been reduced. Small crops have greatly reduced the exportable surpluses in the Southern Hemisphere and not much remains to be shipped from the Balkan countries. Consequently, during the remainder of the season the importing countries must turn to North American countries for a larger share of their supplies.

It seems likely that the world's visible supply has reached its peak for the season. Much has been said about the large visible supply on November 1, which amounted to 563 million bushels. The peak in the past season was 566 million bushels on January 1, after which the visible declined rapidly to 351 million bushels by the first of July. Since a larger part of the world visible supply is in North America and the visible stocks in the United States have declined about 15 million bushels in the past six weeks, it is probable that the January 1 visible supply will be less than it was a year ago.

The weekly shipments from surplus producing countries have recently fallen below what would be normally required to meet the needs of importing countries. In the last few weeks they have been averaging under 15 million bushels per week. These relatively small shipments have resulted in a considerable reduction in the amount of wheat afloat and a clearing up of congestions at Continental European ports. These conditions are preparing the way for a stronger market and ultimately more wheat must be moved.

Table 1.- WHEAT: World supply, price and disappearance,  
1923-1929

Year	Production						All other <u>b/</u>
	United States	Canada	Argentina	Australia	Europe <u>a/</u>		
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
1923-24	797	474	248	125	1,257		650
1924-25	864	262	191	165	1,053		610
1925-26	676	395	191	115	1,397		667
1926-27	831	407	221	161	1,310		596
1927-28	878	480	239	118	1,368		678
1928-29	915	567	340	160	1,409		552
1929-30 <sub>c/</sub>	807	294	175	112	1,408		619
	World production: <u>b/</u>	Shipments from Russia	Stocks accounted for July 1	Total supply	Total disap- pearance		Average price per bushel British parcels
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
1923-24	3,551	21	305	3,877	3,528		121
1924-25	3,150	1	349	3,500	3,209		179
1925-26	3,441	27	291	3,759	3,484		170
1926-27	3,426	49	275	3,750	3,403		164
1927-28	3,661	5	347	4,013	3,570		154
1928-29	3,943	0	443	4,386	3,773		129
1929-30	3,415	0	513	4,028	3,650	(150 - 160)	

a/ Excludes Russia.b/ Excludes Russia and China.c/ Preliminary.



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### World Production and Crop Conditions

Reports during the past month have not indicated any material change in the estimate of the world production outside of Russia and China, the world's crop is now estimated to be about 3,415,000,000 bushels compared with 3,943,000,000 bushels in the past season, and an average of 3,524,000,000 bushels in the past five years. Forecasts and estimates of production in 37 countries received to date total 3,113,000,000 bushels, compared with 3,486 millions last year. These countries do not include Argentina which will probably produce about 175 million bushels, compared with 340 millions last year, and an average of 236 millions in the past five years. Some further changes in estimates are likely to be made before the end of the year. The outturn of the Argentine crop is still somewhat uncertain. Mr. Dawson, our Berlin representative, believes that the German crop is underestimated by about 5 million bushels and the French crop by about 15 million bushels. On the other hand, he considers that the Italian crop is overestimated by 15 million bushels. However, it is not believed that all such changes will make any material change in the estimate of the world's crop.

The distribution of production is very different from what it was a year ago. The surplus producing countries have smaller crops and many of the deficit producing countries larger crops. The European crop is now estimated to be about the same as a year ago. France, Italy and Spain have large crops, considerably in excess of the crops harvested a year ago, while the Balkan and some of the northern countries have smaller crops. The North African crop is somewhat larger than a year ago, amounting to 119 million bushels, as compared with 104 millions a year ago. In this connection it should be noted that the figures previously published for Algeria were erroneous, representing not all of the country. The production in that country is estimated at 34 million bushels against 30 million bushels a year ago. The production of the principal exporting countries, the United States, Argentina and Australia, amounts to about 1,387 million bushels, as compared with 1,981 millions last year, a reduction of about 600 million bushels.

It is now time to begin to look forward to the next crop. In Canada the autumn rainfall exceeded that of a year ago but was still below normal. Analysis of the relation of Autumn weather conditions to the outturn of the crop indicates that the 1930 spring wheat crop of Canada is not likely to be above average. Weather conditions have likewise been unfavorable to the development of the wheat crop in our far Northwestern States. Our Agricultural Commissioner in Berlin believes that the European acreage has been expanded to some extent. It is reported that the Russian winter grain area has been increased 3.8 per cent. This figure of course includes both wheat and rye. The condition of the growing crop in Germany as of the first of December was above average but not so good as a year ago. Little is known about conditions in other countries.

Carryover and Stocks

As previously indicated, the 1929-30 marketing season began with larger stocks than existed at the beginning of the previous marketing season. The carryover in the United States, added to the visible supply in Canada, the estimated total stocks in Australia, the exportable surplus in Argentina, and port stocks and floating supply for the United Kingdom, as of July 1, totals 613 million bushels as compared with 443 millions July 1, 1928, an increase of 170 million bushels. Taking these figures to represent the change in carryover, the total world supply for the 1929-30 season is about 360 million bushels less than the supply available for the 1928-29 season.

A statement of the carryover and surplus stocks as of July 1, 1928-1929 in the principal exporting countries, together with some indication of probable carryover or surplus stocks on July 1, 1930, is presented below. In the case of the United States these figures represent the stocks accounted for in all positions. In the case of Canada, Argentina and Australia they represent wheat available on July 1, for export, and carryover at the end of the marketing seasons of the respective countries. It will be observed that computing carryover and stocks upon this basis makes little change in the relation between the carryover July 1, 1929 and July 1, 1928. The estimates for July 1, 1930 are based upon estimated requirements and estimated exports for the entire season or the remainder of the present season. It seems likely that the carryover in these positions on July 1, 1930 will be at least 200 million bushels less than on July 1, 1929.

Table 2. Wheat: Carryover or stocks accounted for July 1, 1928 and 1929, and probable carryover or stocks, July 1, 1930

Position	1928	1929	1930 (Probable)
	Million bush.	Million bush.	Million bush.
United States .....	128	245	160 - 180
Canada <sup>a/</sup> .....	114	125	60 - 80
Argentina <sup>a/</sup> .....	78	114	25 - 45
Australia <sup>a/</sup> .....	30	33	20 - 30
United Kingdom, port stocks and floating supply	60	61	50 - 60
Total .....	410	578	315 - 395

<sup>a/</sup> Only surplus for export or carryover at end of season.

Argentina and Australia

Weather and crop reports indicate that the wheat crops of Australia and Argentina probably will amount to a little less than 300 million bushels, as compared with 500 millions harvested last year and a five-year average of 380 million bushels. The carryover of old wheat in these two countries on January 1, 1930 may amount to 20 to 30 million bushels or about the same as on January 1, 1928, but more than on January 1, 1929.

The Argentine crop now appears likely to be only about one-half as large as that of a year ago, and the crop is reported to be of poor quality, whereas the previous crop was of good quality. Our estimate of the Argentine crop is explained at length later in this report. Assuming that the Argentine crop turns out to be about 175 million bushels and the carryover of old wheat approximately 20 millions, the exportable surplus from Argentina would be about 110 million bushels, as compared with the export of over 250 million bushels in the past year. How much of this surplus will be shipped in the next six months, is a question of some significance. Reviewing Argentine shipments for a number of years, excluding the war years, it will be noted that the exports in the first six months of the year have varied from about 57 per cent to 89 per cent of the total for the year. This is a wide range and would indicate the possibility of the exports in the next six months ranging from about 60 to 90 million bushels, as compared with the actual exports of 153 million bushels in the corresponding period of the past season. It seems more likely that the shipments will be between 70 and 80 million bushels, leaving a surplus on July 1 of 25 to 45 million bushels for export and carryover at the end of the season.

The latest information indicates that the Australian crop is about 112 million bushels and there may be some carryover of old wheat. Assuming a carryover of 5 million bushels old wheat, the supply at the beginning of the season would be 117 million bushels; and allowing for domestic disappearance of about 50 millions, the surplus for the year would be 17 million bushels. Trade estimates generally indicate that the surplus will not be over 60 millions. The shipments of Australian wheat in the first half of the season have varied from 59 to 85 per cent of the total, which would indicate an export of 40 to 57 million bushels in the first half of the year, as compared with 77 millions shipped in the corresponding period of last year. It seems more likely that the exports will fall between 45 and 55 million bushels and that the surplus stocks on July 1 will be 15 to 20 millions as compared with 33 millions in 1929 and 30 millions in 1928.

Canada

The Canadian estimate of 294 million bushels, as compared with 567 millions produced last year, seems about correct. The Northwest Grain Dealers Association accounts for 272 million bushels in the Prairie Provinces. It is estimated that farmers have in hand to be marketed in the remainder of the season only about 24 million bushels.

The Canadian visible supply is large. Since the amount remaining in producers' hands is very small, the visible supply probably will not continue to increase to any extent.



The lakes have closed with about 80 million bushels of wheat at Eastern points and about 13 millions at Pacific ports. Only small amounts will be moved from the interior by rail before the lakes open in April. Last year Canada had about the same amount of wheat at these ports when the lakes closed and exported 83 million bushels in the period January through April. After the Lakes open, exports will move more freely and the total shipments for the season may amount to 220 to 240 million bushels, leaving a carryover or surplus on July 1 of 60 to 80 million bushels, as compared with 125 million bushels last year.

#### The United States

The change in the estimate of the wheat crop of the United States from 792 millions to 807 million bushels has but little effect upon the wheat situation in general. The changes are mostly in states which indicate somewhat larger supplies of hard red winter wheat. The bulk of the crop has been marketed. The exports to date are about 10 million bushels short of exports in the corresponding period of the past season. The visible supply of wheat is still large but declining. Stocks in public elevators and afloat, as reported to the Department of Agriculture, declined about 12 million bushels in November and continued to decline in December. While the public elevators at many terminal markets are still well filled, the congestions that depressed cash markets below futures have disappeared.

Considering the great reduction in exportable surpluses from the Southern Hemisphere and also the smaller supplies available from Canada, it is not unlikely that the United States will find an opportunity to export large amounts in the latter half of the season. In reviewing the past years free from war disturbances, it will be observed that the exports in the latter half of the season have varied from 44 to 25 per cent of the exports for the entire season. In no recent year has the world situation been more favorable than at present for heavy exports in the latter half of the season. It seems quite reasonable to expect that exports from the United States in the latter half of the season may exceed the exports of the season to date, and that the carryover in the United States will be reduced from 245 millions to a figure somewhere between 160 and 180 million bushels.

Table 3.- WHEAT, DOMESTIC: Stocks in store and afloat, United States markets, October 5, 1928 - January 25, 1929 and October 5 - December 14, 1929

Week ended	Stocks		Increase over previous week	
	1928	1929	1928	1929
	: 1,000 bushels:	: 1,000 bushels:	: 1,000 bushels:	: 1,000 bushels:
Oct 5 . . . . .	123,797	199,157	8,328	1,714
12 . . . . .	128,989	200,517	5,192	1,360
19 . . . . .	134,706	201,023	5,717	506
26 . . . . .	138,486	202,620	3,780	1,597
Nov 2 . . . . .	139,493	202,461	1,007	- 161
9 . . . . .	139,670	199,529	177	-2,932
16 . . . . .	138,369	197,907	-1,301	-1,622
23 . . . . .	138,908	192,895	539	-5,012
30 . . . . .	140,172	189,926	1,234	-2,969
Dec 7 . . . . .	139,830	188,801	- 342	-1,125
14 . . . . .	141,349	a/ 187,970	1,519	- 831
21 . . . . .	142,092		743	
28 . . . . .	144,351		2,259	
Jan 4 . . . . .	142,326		-2,025	
11 . . . . .	138,685		-3,641	
18 . . . . .	134,804		-3,681	
25 . . . . .	133,262		-1,542	

Compiled from commercial grain stocks in store in principal United States markets, as reported to the market news service of the Bureau of Agricultural Economics.

a/ Preliminary.

#### Exports and Carryover of Principal Exporting Countries

The probable exports for the latter half of the season and the carry-over at the end of the season in the principal exporting countries are summarized below:

WHEAT INCLUDING FLOUR: Probable exports for the season 1929-30, and probable carryover, July 1, 1930

Countries	Probable exports season 1929-30	Probable exports Jan 1 - June 30, 1930	Carryover or surplus stocks, July 1, 1930
	Million bushels	Million bushels	Million bushels
United States . . . . .	230-250	145-165	160-180
Canada . . . . .	220-240	130-150	60- 80
Argentina . . . . .	195-210	70- 90	25- 45
Australia . . . . .	65- 75	45- 55	20- 30
Total . . . . .	710-775	395-460	265-335

The situation with respect to the Balkan countries is dealt with in the special report upon European countries.



Table 4.- WHEAT INCLUDING FLOUR: Shipments from principal exporting countries

Country	Total shipments; or exports		Shipments, week ended			Net movement from July as far as reported		
	1927-28	1928-29	Nov	Nov	Dec	to and	1928-29	1929-30
		a/	23	30	7	incl.		
	1,000	1,000	1,000	1,000	1,000		1,000	1,000
	bush.	bush.	bush.	bush.	bush.	Date	bush.	bush.
Canada:								
Shipments, 4								
markets b/...	333,335	458,649	9,649	9,385	6,555	Dec 7	295,280	114,131
United States	206,259	163,687	2,673	2,170	3,665	" "	86,974	77,341
Argentina.....	178,135	217,903	2,068	1,216	3,341	" "	52,343	92,321
Australia.....	72,962	114,272	824	192	520	" "	23,839	20,140
Russia .....	5,408	8	0	0	0	" "	8	0
Danube & Bulc/	32,847	33,842	680	832	736	" "	1,784	12,544
British India	15,668	d/21,739	0	0	0	" "	296	d/ 327
Total .....	844,614	966,622	15,894	13,795	14,817		460,524	316,150

Compiled from official and trade sources.

a/ Preliminary.

b/ Shipments from Ft. William, Port Arthur, Vancouver and Prince Rupert.

c/ Yugoslavia, Rumania, Hungary and Bulgaria.

d/ Net imports..

#### The Demand for Wheat

With a smaller crop and higher prices it is not to be expected that the world's consumption of wheat will equal that of the past year. Low prices in the past season greatly encouraged consumption. The world's disappearance in the past season amounted to about 3,770 million bushels, as compared with 3,570 millions in the preceding year and 3,400 millions on the average in the five preceding years. The fact that British parcels prices averaged only 129 cents per bushel is a very important factor in effecting this large disappearance. In estimating consumption for the 1929-30 season, we must also take into account the fact that the world's demand for wheat seems to be increasing at the rate of about 70 million bushels per year. At present it appears that prices for the season may average about the same as in the 1928-29 season. It would appear, therefore, that the world's disappearance in the 1929-30 season may be approximately 3,600 to 3,650 million bushels. This would reduce the accounted for carryover by about 200 to 250 million bushels.

The demand for wheat in some European countries has been reduced by larger corn crops. Large rye crops and low prices in many of the North European countries also tend to curtail the demand for wheat. The potato crop may have some effect upon the demand for wheat in some countries. The crop is short in Germany but large in several other countries.

Much has been said about higher duties in certain European countries and other attempted restrictions upon imports. They will have some effect, but in this connection it is of interest to note that the United Kingdom, the Netherlands and Denmark are large importers who produce but very little wheat of their own, impose no duties and have no other restrictions upon consumption. France has a large crop which is reported to be about equal to domestic requirements, but in the first three months of the season her net imports of wheat including flour have amounted to 18 million bushels. The 3 per cent milling requirements for the remainder of the season would bring the net imports for the season to over 20 millions, and for certain purposes more than 3 per cent can be mixed with domestic wheat. The principal effect of the German regulations is likely to be the consumption of their own crop earlier in the season. The Export Certificate System, together with the requirement that 50 per cent of domestic wheat be used in milling until the end of January, strengthened the market for domestic wheat. Some has been exported. Larger quantities have been consumed so that farmers report 25 million bushels less on hand for sale than they had a year ago. This reduction in domestic supplies will have to be made up by larger imports in the latter half of the season. Considering all available data, it appears that European imports for the season will be only about 50 to 75 million bushels less than in the past season.

#### The Orient

In the season to date the Orient has taken about as much wheat as in the corresponding period of the past season, and the prospect for marketing wheat from the United States in the Orient is better than it was a year ago because of lessened competition from low grade Canadian wheat. Consul Sturgeon reports from Tokyo that prospects are favorable for the purchase of American wheat owing to high-priced Canadian wheat and the high price and poor quality of Australian middle grade wheat. Mill stocks, however, are somewhat larger than normal and the export demand for flour milled in Japan is only fair. The Tientsin flour market is still overstocked. However, arrivals are expected to continue to decrease. It is reported that no orders are being placed for future delivery. These conditions indicate a dull market for a period with some increase in activity toward the end of the season. Commissioner Nyhus reports that Shanghai mills have practically finished the grinding of available supplies of domestic wheat and are watching quotations for opportunities to buy foreign wheat. The Shanghai flour market has been strong since many of the mills have closed. Doubtless the takings of the Orient in the remainder of the season will be less than a year ago.

#### European Imports

A table of European imports in the past season, estimates for the current season, and imports reported to date is presented on next page. The estimates of probable imports for the season are based upon an analysis of data as to production, imports and prices in recent years, and judgment based upon the observations of our representatives abroad.

Table 5.- Wheat including flour: Net imports into principal importing countries, year beginning July 1, 1929.

Country	Net imports reported					
	1928-	Preliminary:	July 1	1928-	1929-	
	1929	estimates	to	1929	1930	
	1929	1929-1930				
	Million bushels	Million bushels		Million bushels	Million bushels	
United Kingdom	204	195 - 210	Oct 31	63	84	
Italy	82	55 - 65	Oct 31	27	10	
Germany	66	75 - 85	Oct 31	29	25	
France	51	20 - 30	Sept 30	13	18	
Belgium	41	42 - 45	Sept 30	11	12	
Netherlands	29	33 - 35	Oct 31	10	11	
Czechoslovakia	17	18 - 17	Oct 31	7	6	
Greece	22	13 - 18	Sept 30	4	5	
Irish Free State	18	18 - 19	Aug 31	3	3	
Austria	14	14 - 17	Sept 30	3	3	
Switzerland	15	16 - 18	Oct 31	5	8	
Sweden	8	7 - 9	Oct 31	3	3	
Norway	9	7 - 9	Sept 30	2	2	
Denmark	17	10 - 12	Sept 30	3	2	
Finland	6	6 - 7	Sept 30	1	2	
Poland	4	2 - 6	Sept 30	2	a/	
Spain	a/ (15)	0 - 1				
Estonia	1	1 - 2	Sept 30	a/	a/	
Latvia	3	2 - 3	Sept 30	1	1	
Total	624	537 - 606		187	195	

a/ Unofficial.

OCEAN FREIGHT RATES CONTINUE AT LOW LEVEL

The lack of a strong demand for export grain during the past six months has been reflected in the low level of ocean rates on wheat from the United States and other grain producing countries to European markets. The present rates on grain are very near the 1913 level.

Ocean rates on grain are highly competitive; the rates being determined, on the one hand, largely by the supply and demand for export grain and, on the other hand, by the supply and demand for ocean tonnage. Thus, a heavy export movement will tend to advance the rates, with the grain shippers bidding for cargo space, while a slackening in the export movement means a lessened demand for ocean tonnage and places the steamship carriers in the competitive position of seeking parcels and cargoes of grain for their vessels.



The ocean rates on grain to the United Kingdom from the United States and other grain exporting countries during the month of October, 1929, with a comparison of rates for the corresponding period in 1928 and in 1913 are shown in the following tabulation compiled from the reports published by the International Institute of Agriculture and other sources indicated:

Table 16.- Ocean freight rates on wheat to the United Kingdom in October, 1913, 1928 and 1929.

From -	Oct 1913	Oct 1928	Oct 1929
	Cents per bushel	Cents per bushel	Cents per bushel
<u>United States:</u>			
Northern Range to U.K. (and Continent) <u>a/</u> . . . . .	7.30	6.84	<u>b/</u>
New York to Liverpool. . . . .	5.07	8.11	4.55
New Orleans (Gulf to U.K.) . . . . .	9.12	10.90	8.36
North Pacific ports (via Panama Canal) . . . . .	<u>c/</u>	18.90	15.99
<u>Canada:</u>			
Atlantic coast to U.K. . . . .	( 7.60	<u>d/</u> 10.64	<u>b/</u>
Montreal to Liverpool . . . . .	(	9.62	5.70
<u>Argentina:</u>			
Down River ports to U.K. . . . .	7.30	13.52	8.31
Up River ports to U. K. . . . .	8.80	14.50	9.40
<u>India</u> (Karachi) to U.K. . . . .	11.73	12.71	<u>b/</u>
<u>Australia</u> to U. K. . . . .	<u>e/</u> 20.37	<u>d/</u> 26.56	<u>d/</u> 19.55

Compiled from reports of the International Institute of Agriculture,  
Rome.

a/ Average of North Atlantic ports, including New York.

b/ No quotation.

c/ Panama Canal was not officially opened until August 15, 1914.

d/ Cargoes.

e/ Sailing vessels.

Prices

The advance in cash wheat prices forecast a month ago is underway, but large available supplies in the United States tend to hold the advance in check or cause recessions after marked advances.

The prices of all classes and grades of wheat in the United States dropped to a low point in the middle of November, averaging 115 cents per bushel, advanced 15 cents in three weeks, and then dropped 8 cents in one week. The marked drop in November was caused mainly by the crash in the stock market, and the rise was due in part to recovery from that panic and to reports indicating a material reduction in the Argentine crop. The recession from the high point reached early in December has been largely a reaction from the marked advance. The fundamental supply and demand conditions have not changed in the past few weeks.

The relation of cash prices to futures is materially improved. Apparently the depressing influence of congested terminals has disappeared. In November the average of cash prices of basic grades upon the principal markets was in excess of the price of the near futures. This is normal inasmuch as the average of cash prices includes premium wheats. The spread between the near and the distant futures has also been reduced to a more nearly normal basis.

The relation of prices in the markets of the United States to those in foreign markets has become more favorable to exports. This point is developed in the report submitted by our Berlin office, in which it is shown that the prices of domestic wheats in the markets of several European countries have increased in relation to prices in the markets of the United States. The small Canadian crop has resulted in relatively high prices for Canadian wheat, and reports from the Orient indicate that price quotations there are favorable to the importation of wheat from the United States rather than from Canada.

In reviewing the attached table of prices in the United States and important foreign markets, it should be noted that the character of the wheat deliverable upon contract, as well as transportation and supply relations, cause differences in prices. A review of recent prices in the Liverpool market, for example, indicates that the December future in November was fairly closely in line with the price of Rosafe wheat from Argentina. The transportation cost from Argentina to the United Kingdom in October varied from about 8 to 10 cents per bushel, and consequently the Buenos Aires near futures are about that much below the Liverpool near futures. Since the rates in October were unusually low, the ordinary price spread between Buenos Aires and Liverpool would be greater than indicated by the November quotations. It will be noted that Winnipeg futures are above Liverpool. The Winnipeg future calls for the delivery of No. 1 Manitoba, whereon No. 3 Manitoba is deliverable at a discount of 8 cents per bushel. In Liverpool during November No. 3 Manitoba arranged about 16 cents per bushel above the December futures and the Argentine wheat. At the end of November No. 1 northern Manitoba wheat in Liverpool was about 23 cents above the Liverpool future, and this is not far from the cost of transportation from the head of the Lakes to Liverpool. It will be noticed that December futures at Kansas City in November were 9 to 12



cents under Liverpool. The transportation charges on wheat from Gulf ports is about 8 cents. In Kansas City No. 2 hard winter is deliverable upon contract. No. 2 hard winter wheat at Liverpool in November averaged about 3 cents over the Liverpool future, indicating that Kansas City and Liverpool prices were fairly closely in line upon an export basis from Kansas.

Past supply and price relations indicate that the world supply as reported to date might be expected to result in British parcels prices for the season averaging about 162 cents per bushel, on the basis of the 1928 price level. But the depression in the stock market and reduction in general price level which has taken place are likely to cause prices to average below what might be expected on the average. For the present we are assuming that prices may average 5 per cent below what might be expected, or around about 154 cents per bushel, as compared with 129 for the past season. In this connection it is of interest to note that at the low point on November 13, when Liverpool futures were selling on the basis of 120 cents per bushel, No. 3 northern Manitoba was selling at about 135 cents a bushel by the end of the month had risen to 154 cents per bushel and No. 1 northern Manitoba was selling at the equivalent of 159. Undoubtedly the high prices paid for Canadian wheat will be a factor in maintaining the average price in the British markets.

Developments in the past few weeks have not changed the outlook for prices of the several different classes of wheat in the United States. The spring wheat markets continue very weak. Although the supply of durum wheat in the United States is but slightly larger than domestic requirements, the price of this class of wheat continues on a low level. Apparently the foreign demand has been very weak for the season to date as very little has been exported even at these low prices. Since the Canadian crop also appears to be small, it is still possible that the foreign demand for durum from the United States will increase toward the end of the season. Hard red spring wheat continues on a higher level than the hard winter wheat, but the large supply of hard winter wheat is apparently a factor in holding the price of the No. 1 dark northern spring wheat about on a level with the price of comparable grades of spring wheat in Canada. Should conditions continue to be unfavorable for the 1930 spring wheat crop in Canada, the price of hard red spring wheat is likely to be well maintained, and may advance materially toward the end of the season. The price of soft red winter continues above that of hard red winter but somewhat below the average for the past season. This is to be expected because the soft red winter wheat crop is considerably larger than that of the past season, but still only about equal to domestic requirements.

As expected, the large surplus of hard winter wheat continues to hold that class of wheat closely to an export basis. The prices of this class of wheat for the remainder of the season will be determined by changes in the world market price level. Improvement in European demand probably will cause prices to rise in the next two months. The course of prices for the remainder of the season will depend largely upon the outlook for the new crop. The prospect of heavy winter killing would maintain prices but should winter killing seem likely to be only about normal or less than normal, prices might decline for a period at least. The prospect of another world crop no larger than the 1929 crop would cause an upward trend in prices toward the end of the season, while a larger crop might cause a downward trend.

Table 7.- WHEAT: Closing price of December and May futures

Date	Chicago	Kansas City	Minneapolis	Winnipeg	Liverpool	Buenos Aires a/
	1928	1929	1928	1929	1928	1929
	Cents	Cents	Cents	Cents	Cents	Cents
				December futures		
Nov 7	114	123	108	117	110	126
14	116	116	110	111	111	120
21	117	124	110	118	112	127
28c/	115	124	109	119	111	127
				May futures		
Dec 5	122	138	115	130	116	137
12	122	133	115	126	116	133
19	121		114		115	123
26	121		114		115	123

a/ Prices are of day previous to other prices. b/ February futures.

c/ 1929 prices are as of November 27.

Table 8.- WHEAT: Weighted average cash prices at stated markets

	All classes:	No. 2	No. 1	No. 2	No. 2	Western
Week:and grades	hard winter:	dk.n.spring:	Amber durum:	red winter:	white	
ended:six markets:	Kansas City:	Minneapolis:	Minneapolis:	St. Louis:	Seattle a/	
	1928	1929	1928	1929	1928	1929
	Cents	Cents	Cents	Cents	Cents	Cents
Nov 1:	110	121	112	119	124	128
8:	108	120	110	118	112	130
15:	109	115	113	113	123	125
22:	110	123	114	120	125	130
29:	109	125	114	121	125	132
Dec 6:	109	130	113	125	124	138
13:	107	122	111	120	121	130
20:	107		111		123	110
27:	106		110		120	109

a/ Weekly average of daily cash quotations basis No. 1 sacked 30 days delivery.

Canadian pool marketings and prices

The Canadian pool has recently released a report on the past season which shows deliveries to the pool and sales monthly throughout the season. The report presents some interesting data for consideration with reference to sales policies and prices. The data are submitted below in connection with receipts at country elevators and platform loadings, exports of wheat, and the monthly average price of No. 3 northern at Winnipeg.

Apparently the pool distributed sales more evenly than the average producer, if producer sales are to be judged by receipts at country points. It will be observed that three-fourths of the marketings for the season were delivered at country points in the first three months of the season. In these three months the pool received 130 million bushels, but sold only 77 million bushels. The pool received in all 244 million bushels and sold less



than one-third of this amount in the first three months of the season. The balance was distributed throughout the remaining nine months.

Reviewing the average monthly prices of No. 3 northern wheat at Winnipeg, it is obvious that the average return for the season could vary greatly with different sales policies. During the period when three-fourths of the wheat was delivered at country points, the monthly prices ranged from 106.5 to 111.2, and for the season ranged from 106.5 to 152.2. In the month of highest prices, July, only 2 million bushels were delivered to the pool and 4 million bushels were received at country points, but the pool sold 14 million bushels thus helping to raise materially its average for the season. Selling wheat as delivered to the pool, at the average prices of No. 3 northern at Winnipeg, would have brought an average of about 111.3 cents for the year, and as delivered at country points, an average of 111.9 cents. Following the distribution of the pool's sales, the average would have been 115.5, and the exports 114.9.

Hindsight is always better than foresight, but it is obvious that had one been able to forecast the course of prices through the season fairly accurately, sales could have been adjusted so as to have brought even higher prices than what could have been realized by the pool distribution of sales. For example, heavy sales in September pulled down the average. This was offset to some extent by light sales in May when prices were low. In making this observation, however, the cost of holding should not be overlooked. With a very large crop it was necessary to move a considerable part of the crop early in the season. Somewhat heavier sales, however, in February, March, July and August would have raised the average returns for the season.

Table 9 .- CANADA: Marketings, exports and prices of wheat, 1928-29

Month	Deliveries to pool	Receipts at country elevators from platform loadings	Pool sales	Exports of wheat including flour	Price of No. 3 northern at Winnipeg
	Million bushels	Million bushels	Million bushels	Million bushels	Cents per bushel
1928					
Sept	37	134	30	31	106.5
Oct	39	106	25	49	111.0
Nov	52	107	22	31	111.2
Dec	42	44	22	53	106.7
1929					
Jan	17	17	18	25	112.4
Feb	6	17	16	20	119.7
Mar	2	21	16	27	119.2
Apr	5	9	13	10	115.0
May	2	5	5	31	106.8
June	3	8	20	30	112.4
July	2	4	14	21	152.2
Aug	1	14	4	13	151.8
Total :	244 :	486	a/ 205 :	391 :	b/ 118.9

Compiled from The Canadian Wheat Pool Annual Report, 1928-29, issued November 26, 1929 and Canadian Grain Statistics.

a/ Carryover August 31, 1929 was 48 million bushels.

b/ Simple average.

The Continental European wheat market situation during November 1929 a/

The relation of wheat prices in Continental European markets to prices in the United States improved in November, indicating a tendency toward an improvement in the demand for wheat from this country. This improvement is attributable to the passing of the season of the heaviest marketings of domestic wheat, some reduction in port stocks, a material reduction in the surpluses remaining in the Danube countries and smaller receipts from Argentina.

Domestic wheat prices on the Continent of Europe generally declined during the first half of November, but the movement was less extensive than in the United States so that the price parity of American wheat, relative to wheat in European import markets, improved. This resulted in increased takings from overseas sources around the middle of the month, which was followed by a change in the price-relationship in favor of domestic wheat, prices of which increased during the second half of the month b/ but to a less extent than in America. Nevertheless, except for such temporary changes, price comparisons over longer periods clearly indicate that domestic wheat quotations have risen compared with American and therefore improved the import position of the latter.

a/ Based on report by Assistant Agricultural Commissioner Owen L. Dawson, Berlin, Germany, prepared November 27, 1929, and brought up to date by cables to December 12.

b/ France excepted, where prices continued to decline slightly.

Table 10 .- PRICE PER BUSHEL - SPREAD CHICAGO - EUROPE

Date	:	<u>BELGIUM</u>	:	<u>PARIS</u>	:	<u>GENOA</u>	:	<u>VINETA</u>	:	<u>HUNGARY</u>
	:	"Markischer	:	Domestic	:	Domestic	:	"Vienna Boden:	:	Tisza wheat
	:	Wheat "	:	wheat	:	wheat	:	wheat", spot	:	79/80 kg.
	:	Spot	:	nearest	:	nearest	:	:	:	spot
	:		:	month	:	month	:		:	
	:		:	<u>above (+) or below (-) Chicago.</u>					:	
	:	<u>Cents</u>	:	<u>Cents</u>	:	<u>Cents</u>	:	<u>Cents</u>	:	<u>Cents</u>
Sept 7	:	+ 14.6	:	+ 21.1	:	-14.8	:	- 5.4	:	- 5.9
Sept 21	:	+ 15.6	:	+ 20.8	:	-19.0	:	- 4.1	:	- 6.1
Oct 11	:	+ 17.3	:	+ 20.5	:	-11.2	:	-10.8	:	- 9.3
Oct 24	:	+ 21.9	:	+ 29.2	:	- 3.6	:	+ 3.0	:	+ 6.4
Nov. 2	:	+ 18.4	:	+ 27.8	:	- 6.6	:	- 5.7	:	- 1.4
Nov. 9	:	+ 25.0	:	+ 33.7	:	- 2.4	:	- 1.8	:	+ 3.5
Nov 16	:	+ 30.6	:	+ 34.6	:	- 0.1	:	+ 4.6	:	+ 9.9
Nov 22	:	+ 32.9	:	+ 26.0	:	- 4.1	:	- 1.3	:	+ 4.0
Nov 29	:	+ 32.6	:	+ 25.7	:	- 1.7	:		:	

While this year the price-spread shows clearly a relative increase in European prices compared with American during September, November, developments during the same period last year were adverse... The setback during the second half of November, 1929, is indicative of the fact that domestic European supplies available for sale are still important, though considerably reduced by heavy marketing in recent months.

Business on Continental wheat markets was restricted during the first half of the month with flour business in important consuming regions likewise unsatisfactory. The heavy price-decline of American wheat around the middle of the month resulted in rather active Continental purchases from overseas, but also from domestic surplus regions which were, however, neglected compared with the former. Fairly large quantities of Danubian wheat were sold during the month, and shipments ran heavy. Trade and port stocks of wheat have declined through the month, and port stocks, though still rather important, are by no means near to capacity.

Rye prices in Central Europe continued to decline considerably until the middle of the month, when, particularly as a result of prospective measures by the German government, an increase in prices took place - an increase which also reflected the generally upward tendency in feed grains.

The demand for feed grain was restricted during the first half of November with prices of corn and barley tending downward. The improved bread grain situation, however, influenced the feed grain market quite favorably after the middle of November. Transactions in corn and feed barley were rather important following November 15 and prices increased moderately. In Germany an increase of the feed barley duty is expected and this stimulated the import market to some extent. Oats which were neglected at the beginning of November also showed a slight improvement. The Danube surplus countries continued to ship large quantities of feed barley to Northern Europe; exports from the abundant corn crop have not yet reached a high level but improved recently. Weather was generally mild so that cattle could stay on pastures in large parts of Europe. Favorable growth as a result of the fine autumn partially alleviated the fodder shortage.

Estimates of the Continental wheat crop are but little changed. A new estimate of the Agricultural Council induces us to increase our estimate of the German crop to our early private estimate (July and August) of 110,000,000 bushels. Quality reports for this year's continental wheat crop are favorable and continue to indicate that the quality in some cases may be superior to that of last year. The Continental wheat crop seems to be about  $\frac{1}{2}$  per cent below last year or about 10 per cent above the average 1924-1928.



Table 11.- Estimates of the Continental European wheat crop,  
1927-1929, and average 1924-1928

Country	Average 1924-1928	1927	1928	1929
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Germany . . . . .	112,991	120,522	141,593 :a/	(121,253)
Italy . . . . .	211,208	195,809	228,596 :b/	(246,180)
France . . . . .	280,140	276,128	281,285 :c/	(334,364)
Belgium . . . . .	14,910	16,277	17,986	15,995
Netherlands . . . . .	5,886	6,157	7,336	4,666
Czechoslovakia . . . . .	40,676	47,203	51,499	48,065
Switzerland . . . . .	3,852	4,119	4,270 :d/	5,791
Greece . . . . .	11,481	12,970	13,085	13,981
Austria . . . . .	10,695	11,960	12,915	11,582
Denmark . . . . .	9,200	9,408	12,214	(10,288)
Poland . . . . .	54,826	61,093	59,219	60,259
Sweden . . . . .	13,460	15,835	19,155	18,724
Norway . . . . .	594	605	798	729
Finland . . . . .	941	1,064	998	1,095
Latvia . . . . .	2,148	2,636	2,499	2,366
Estonia . . . . .	859	1,079	1,037	1,268
Spain . . . . .	139,136	144,825	119,884	149,251
Portugal . . . . .	10,121	11,447	7,546	(9,186)
Total, 18 deficit countries:	923,324	939,137	981,915	1,055,043
Rumania . . . . .	99,664	96,734	115,544 :e/	(86,184)
Yugoslavia . . . . .	73,541	56,568	103,294	94,982
Hungary . . . . .	74,859	76,933	99,211 :f/	(77,161)
Bulgaria . . . . .	39,093	42,121	50,691	34,443
Total, 4 surplus countries:	287,147	272,356	368,740	234,775
Grand total, 18 countries:	1,210,471	1,211,493	1,350,655	1,349,818

Figures in parenthesis are estimates as made by Mr. Dawson, November 27. Since his report made October 24, Mr. Dawson has raised his estimate of production in Germany 5,500,000 bushels. The official estimates of production in Sweden, Norway and Finland are used in the above table which total about 650,000 bushels less than Mr. Dawson's estimates as of October 24. Only official estimates are used in the summary table of production on page 4.

a/ Official estimate is 115,584,000 bushels.

b/ Official estimate is 260,657,000 bushels.

c/ Official estimate is 319,863,000 bushels.

d/ Includes spelt and meslin.

e/ Official estimate is 99,756,000 bushels.

f/ Official estimate is 71,833,000 bushels.

No official estimates of production in Denmark and Portugal have been received.

Estimates of the deficit and surpluses of individual continental countries have been changed only in the case of Germany and Italy. The deficit estimate for Germany was reduced, because of an increase in the crop estimate and possibly increased competition of rye with wheat as rye prices are extremely low. The deficit estimate for Italy was reduced because of the belief that the competition of corn will be considerable and because of very low imports to date. The 1929-30 net wheat deficit of the European Continent (22 countries) is expected to range from 2 to 18 per cent below last year on basis of the following deficit and surplus estimates for individual countries.

The winter sowing campaign started rather late in most parts of the Continent as the drought of the late summer and early fall made the preparation of fields very difficult. This delay, however, was made up during October and early November when weather conditions were very favorable. The sowing campaign is now practically finished in all parts of the Continent. Germination is reported to be generally good and in sections very good. In some places the young plants are too far developed (as in parts of Hungary) and cooler temperatures are needed. Some observers believe the continental acreage of winter grain has somewhat increased; however, information at this date is rather meager to give much weight to such reports.

#### Germany

Germany's purchases of foreign wheat continued rather small during early November but improved during the latter part. Prices fluctuated early in the month but showed greater resistance to declines than in America. The last part of the month witnessed a decided improvement in prices. Decreased imports and farm marketings have greatly reduced the weight of stocks although the amount in trade channels is still somewhat large. The government order stipulating that mills must use at least 50% domestic wheat in October and November is thought to have been an important factor in support of domestic wheat prices especially in the early part of the month. The more decided upturn in prices later in the month is largely attributed to firmness in world markets. The probability that the order prescribing the milling of 50% domestic wheat would be prolonged for December and January also had an effect in sustaining domestic wheat prices. <sup>a/</sup> The large supplies of rye at low prices compared with wheat will to some extent reduce the demand for wheat chiefly as it applies to stock feeding but the effect of cheaper rye may be offset in part at least by higher potato prices.

The rye market has continued to be very weak. Prices recently have strengthened due to expected government relief measures. Stocks on the farm and in the channels of trade are abundant and the introduction of export bounty measures in Poland has also been an unfavorable factor. There is some possibility of the German government raising the duty on feed barley from 13.9 cents per bushel to 25.9 cents. This is a measure to induce the feeding of rye instead of barley and is expected to affect the hog raising districts of Northwestern Germany where imported barley for hog feed is important.

<sup>a/</sup> Cable December 5 reported that operation of milling provision was extended to January 31.

The following table shows the development of domestic wheat and rye spot prices:

Table 12.- Germany: Price per bushel of domestic wheat and rye, October 2-December 11, 1929

Date	Wheat			Rye	
	Hamburg <u>a/</u>	Breslau <u>b/</u>	Berlin <u>a/</u>	Berlin <u>c/</u>	
	Cents	Cents	Cents	Cents	
October 2	156	145	145	109	
9	164	148	153	112	
16	163	148	151	106	
23	161	147	149	107	
30	160	145	147	104	
Nov 6	159	143	144	97	
13	154	144	144	96	
19	160	146	149	100	
27	167	154	157	108	
December 4	168	154	158	106	
11	163			100	

a/ Wheat of any German district of at least 58.7 pounds per Winchester bushel.

b/ Wheat of any German district in carloads of 370 bushels of at least 58.7 pounds per Winchester bushel.

c/ "Markischer" wheat of 58-59 pounds per Winchester bushel.

d/ "Markischer" rye of at least 56 pounds per Winchester bushel.

October imports of foreign wheat remained small, being 3,087,000 bushels as compared with 3,571,000 bushels in September 1929 and 9,071,000 in October, 1928. Exports of wheat increased from 1,122,000 bushels in September 1929 to 1,312,000 in October 1929, so that net imports were very small. During the period July-October 1929 net imports of wheat were about 3,500,000 bushels smaller than last year. It is likely that most of the foreign wheat stocks which were accumulated by the large imports during July have been absorbed by consumption. Arrivals at ports and at the Dutch frontier at the beginning and towards the end of October showed a slight increase but remained below the corresponding figures of last year.

Port stocks at Bremen have increased in November and are larger than the corresponding figures for last year, but were much smaller than during August and September 1929. The visible stocks of wheat in Berlin declined from 765,000 bushels on September 30 to 712,000 on October 31, compared with 613,000 bushels on October 31, 1928. The apparent disappearance of wheat in Berlin during October 1929 was about 10 per cent smaller than last year.

Trade stocks of rye decreased somewhat during October but remained very large as compared with last year. Exports of rye were very large and the export surplus was about 4,000,000 bushels for rye and rye flour for the period July to October.



The farm stock figures of the German Agricultural Council as of November 15 show that the total wheat stocks on farms as well as stocks available for sale (if the farmers do not change their minds) are about 25,000,000 bushels smaller than last year. The quantities to be used on farms seem to be fully as large as last year. This indicates that the share for feeding will also be about the same as last year, and inasmuch as the unfavorable rye price compared with wheat a/ will result in but small quantities of wheat being fed this year it seems that feeding of wheat last year was apparently less important than was indicated by trade reports. Total farm stocks of rye were about 1,500,000 bushels smaller than last year but stocks available for sale were about 4,000,000 bushels smaller which would indicate that farmers intend to feed considerable quantities of rye.

The final estimate of the German Agricultural Council indicates higher yields for wheat than the first Council estimate and the preliminary official crop estimate. The Councils estimate indicates a crop between 120,000,000 and 125,000,000 bushels. The Fall sowing campaign was finished under favorable weather conditions and evidently the delay caused by drought has not seriously affected the condition of the crops. The condition of the crop as officially reported was 109 per cent of the 1919-1928 average condition as of that date as compared with 112 per cent last year and 103 per cent in 1927.

#### France

The prevailing trade sentiment in France during the larger part of the period was reported pessimistic concerning future price improvement, being chiefly influenced by the stock situation in North America and evidence of rather heavy domestic supplies. Recently a slightly more hopeful view is expressed in view of some easing in the Continental stock situation and reports of decreased exportable surplus in Argentina. The long discussed measures for relieving the unfavorable situation in the domestic wheat market have just been passed by the Senate b/. It is doubtful, however, to what extent they will improve prices of this year's crop and whether much wheat will be exported.

Prices of wheat have declined since November 12 but are now expected to strengthen on account of government measures and increased milling demand, which has been quite slow this season. The price comparison with Chicago at the close of the month was slightly more favorable than at the beginning but less favorable than last year, especially in view of the increased import duties on wheat this year.

Net imports of wheat from July to September have been greater than last year but for the whole season we do not expect them to exceed 50% of last year and if recent government measures enable exports this proportion may even be reduced. Marketings of farmers during the first part of the period were light but later, in fear of a price drop because of developments in America, greater quantities of wheat were marketed. Increased threshing following

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a/ Prices of wheat are at present about \$14.05 per short ton higher than for rye so there appears to be a great inducement to feed rye instead of wheat this season.

b/ The measure includes provisions that the government may regulate the proportion of foreign grain in flour and also raise duties by decrees.

completion of seeding was also a contributing factor in increased farm offers. As mills were reluctant buyers prices were forced down and at the close of the month were some 10 per cent lower than at the beginning. In sympathy with the drop in wheat prices flour prices also fell off. Prices of corn and oats in France have moved much in sympathy with wheat prices.

Sowings in general are well advanced and will be completed by December 1. It is thought that the acreage exceeds a year ago despite expectations to the contrary, in view of farmers complaints against present wheat prices. The condition of the sown grain is apparently good.

### Italy

The Italian wheat market was generally quiet the second half of October and during November with sales of domestic wheat moderate and import business nearly at a standstill but became more active in December. Hungarian wheat was offered at a lower price than overseas and was therefore preferred. Imports of grain remained very small; total imports for the period July-October only amounted to 9,774,000 bushels compared with 25,904,000 bushels for the corresponding period in 1928. The wheat price spread between Italian and American markets at the close of the month was considerably improved with the beginning of the month. Imports are expected to increase materially during the next few weeks but for the whole year, to fall much short of last year because of the good domestic wheat crop and the more available supply of other grain. Durum deficit small due to large increase in crop in southern Italy where durum is produced.

### Netherlands and Belgium

The wheat market was rather quiet during the first half of November, but towards the end of October a temporary revival of the demand was noticed and since November 15 the market has been active. Prices picked up again recently, following a declining tendency up to the middle of November. There was some demand from Belgian and Dutch flour mills and the grain trade of Northwestern Germany made some purchases toward the end of October and was again an active buyer after November 15. Offers of Danubian wheat which have been of unusual importance until recently in Dutch and Belgian markets have fallen off and are expected to be light in the near future. German flour mills preferred Bahia Blanca. Hard winter, however, also became quite important recently. Port stocks at Rotterdam have decreased considerably since October and in Antwerp a slight reduction of port stocks also took place, but the volume is still large.

Trade opinions were very pessimistic until recently owing to the large visible stocks of wheat in overseas countries and the congestion in English ports. It seems now that trade opinion is getting somewhat more optimistic as to the market outlook.

### Danubian Basin

Export business of wheat was less active during November compared with the previous month, but fairly large quantities were sold and the turnover became rather extensive during the second half of the month when a general revival of business was noticed on the Continent. Surplus supplies were further reduced as shipments were resumed extensively following the rise in the water level of



the Danube. Italy, Switzerland, and Greece were important customers, while the importance of Western Europe as a purchaser of Danubian wheat decreased due to price spreads between Danubian and overseas wheat in favor of the latter.

# PRICE SPREAD PER BUSHEL, 1929

Hungarian Tisza Wheat, 51/62 pounds spot above (+)

or below (-)

Chicago Futures, nearest month

<u>Cents</u>			<u>Cents</u>			<u>Cents</u>				
Sept 6	:	- 5.86	:	Oct 4	:	-10.70	:	Oct 31	:	-1.42
" 13	:	- 9.86	:	" 11	:	- 9.34	:	Nov 8	:	+3.50
" 20	:	- 6.05	:	" 18	:	- 3.04	:	" 15	:	+9.91
" 27	:	- 6.76	:	" 25	:	+ 6.37	:	" 22	:	+3.91

While earlier in the season considerably below Chicago, Hungarian wheat rose gradually compared with North American and is now above Chicago quotations. It is to be noted that the position of American wheat compared with Danubian wheat has varied significantly during recent weeks. Continental buying of Danubian varieties was evidently affected by the price comparison with overseas. Whenever Danubian prices rose above the normal relationship with overseas, Continental imports from the Danube fell off and when they fell relatively lower than overseas imports were resumed. The reaction of Danubian wheat to these fluctuations seems to indicate surplus supplies still available and it is likely that somewhat improved price conditions may have increased the share of the crops available for sale a/, as the previous estimates of crops remain unchanged. The heavy movement of Danubian surplus wheat to date nevertheless indicates that supplies still available are not heavy compared with usual supplies.

Apart from these temporary changes in the price spread, developments through a longer period of time clearly show a price movement toward import parity for American wheat, with a price spread of - 11 to - 6 from the beginning of September to the middle of October, but from -3 to + 10 since October 15.

Wheat business in Danubian deficit regions, Austria and Czechoslovakia, was quiet with flour sales unsatisfactory. Considerable improvement, both for wheat and flour, was registered during the second half of November, as was the case practically everywhere.

Business in corn was limited, with good improvement in the Italian, Danish, and British demand for Danubian corn during the second half of the month. The Rumanian crop estimate was reduced to 340,144,000 bushels. The trade complains that the corn is too wet, a condition which, in cases, renders exports impossible at present.

The Autumn sowing campaign is practically over. Grain is reported to have made satisfactory progress and have benefitted from damp weather during past weeks. Some complaints are heard from Austria and Czechoslovakia as well as parts of Rumania on account of greatly delayed sowings due to dry weather earlier in the Autumn which was also unfavorable to grain previously sown.

a/ Sufficient allowance for this possibility is made in the range of our surplus estimates which, therefore, are unchanged.

Poland

Farm deliveries of wheat and rye were comparatively small during the second half of October and in November. This was partly seasonal but was somewhat induced by expected government measures to help prices. The demand continued restricted and prices did not increase the first half of November despite small farm offers. Recently, however, prices have shown some improvement. On November 16 export bounties were introduced by government order. From November 16 to April 15, 1930 a bounty of 18 cents per bushel is paid on exports of wheat, 17 cents on rye, for 6.5 cents on oats and 10 cents on barley, and for flour a bounty of 51 cents per 100 pounds (according to other reports 46 cents). Agricultural organizations have formed an export syndicate for carrying on business in grain exports. This export syndicate has also the work of standardizing grain, as export bounties will only be paid for grain conforming to certain standards. According to private reports about 275,000 short tons of all grains will be exported during this season. Export business will be attempted mainly to Scandinavian countries. At present negotiations are under way between the Polish syndicate and the biggest German flour milling concern (Scheuer-Gruppe) for the purpose of making an agreement with respect to the export policy of both groups. According to rumors a similar syndicate to that in Poland will be established in Germany and the two syndicates will endeavor to cooperate on the export market.

Soviet Russia

There is little possibility of Soviet Russia appearing on the world market this year either as seller or buyer of wheat. In the first instance, in view of the Government's desire to build up large reserves of grain, only very pressing needs for foreign exchange would force the Government to resort to wheat exportation. It is also unlikely that exports of rye will take place. The success of the Russian grain procuring campaign coupled with reported building up of stocks of grain in the Government's hands makes the question of imports less important than during the past year.

After a slight slackening tendency experienced during the first part of October, Russian grain procurings picked up again in the second half of October and are now approaching an end. Seeing that about 93 per cent of all grain foreseen by the plan was procured by November 15, there is scarcely any doubt about completing the campaign by December-January - the period provided for by the Government. Procurings of bread grains continue to lag behind total procurings, only 88 per cent of the plan having been procured to November 15, still they are considerably higher than last year.

The rapid development of procurings has caused the problem of adequate storage to arise. Measures are being taken in order to protect grain from insect and fire damage. Fortunately, this year's grain is reported to be very dry as a rule and can thus be stored with less danger of subsequent damage than in other years.

It has been officially reported recently that reserves for emergency cases have been built up to the extent of 1.5 million tons a/. Barring extraordinary events, this fact, coupled with the planned considerable increase of the 1930 grain production, may lead to renewal of exports next year. However, it is impossible at present to judge to what extent the planned increase of grain production will actually take place, as aside from weather and crop conditions, the aggressive class policy of the Soviet Government in the villages may lead to greater reluctance on the part of the peasants, particularly the more well-to-do, to produce more than absolutely necessary. At the same time the rapid rate of collectivization in grain farming is likely to cause serious organization difficulties so that a decline in peasant production may not be offset by a corresponding increase of the socialistic sector, at least for the next year or two.

#### Sowing Campaign

A preliminary official report places the winter grain acreage for Soviet Russia as a whole (U.S.S.R.) at 95,400,000 acres compared with 91,900,000 acres last year, or an increase of 3.6 per cent. The winter acreage of Russia proper (R.S.F.S.R.) increased 4.2 per cent and of Ukraine 3.7 per cent. The autumn sowing "plan" was not fully executed in important winter wheat regions, but exceeded in some other regions. Thus winter wheat sowings in Ukraine were 21.2 per cent below the "plan", while rye sowings were 5.4 per cent above the plan. Total grain procurement of the State and cooperative organizations up to December amounted to 99 per cent of the annual "plan"; but the procurements of bread grains alone amounted to 94 per cent of the annual "plan".

The condition of winter crops as of November 10 was reported average in all sections of RSFSR, excepting parts of the Central Fertile region and Middle Volga region b/ where conditions are below average, though reported improving in the Central Fertile region. Prolonged warm weather was reported a favorable factor, which allowed the delayed crops to reach their normal condition before the setting in of the frosts, thus increasing their power of resistance.

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a/ Later information indicates a somewhat higher figure.

b/ As expected in our report of September 30, 1929.



The Argentine wheat crop

A study of the relation of the Argentine wheat yields to weather during and preceding the growing season tends to confirm current reports of a substantial decrease in the 1929 crop of that country. The most probable size of crop appears from this study to be about 145 to 175 million bushels.

The 1929 probable yield indicated by the study is 6.6 to 8.2 bushels to the acre sown. On the 19,430,000 acres officially reported as sown for the 1929 harvest this yield would give a crop of 130 to 160 million bushels. This estimate is based on the past relation of certain weather factors to the yield as officially reported. For the years 1927 and 1928 figures available on exports and stocks at the beginning and end of the seasons have indicated that the actual harvest was probably 30 to 35 million bushels greater than the official estimate. It is not known whether the difference was due to an underestimate of the yield or of the acreage sown. Various unofficial reports have expressed the belief that the acreage has been underestimated. In order to make partial allowance for a similar possible contingency this year 15 million bushels have been added to the harvest figure indicated by the study, giving a probable crop of 145 to 175 million bushels.

The analysis on which the 1929 yield is based is the result of a multiple curvilinear correlation for the period 1896 to 1928 using six weather factors; monthly mean temperatures averaged for two stations Cordoba and Bahia Blanca for the months July, August, September and October, and total rainfall at Cordoba for two periods, February to May inclusive, and June to August inclusive. These two stations were chosen as two of the three in the wheat zone for which the weather records are available for a long series of years. The third station, Buenos Aires, was included in preliminary studies but the results in general were not improved by the addition.

In this study changes in yield were more closely associated with changes in October temperature than any other factor used; high yields accompanied low temperatures and vice versa. In August and September temperatures above average were accompanied in general by reduced yields, as were also unusually low temperatures. Changes in July temperature were not shown to have a very close relation to the changes in yield. Low rainfall at Cordoba in the period February to May inclusive was associated on the average with low yields and heavy rainfall with high yields. In the June to August period, on the contrary, the relationship indicated by the study was one of decreasing yields with increasing rainfall except in years of very slight rainfall. It is probable that rainfall after the close of August and temperature in November and December also effect the yield more or less. In this study, however, an attempt to include them as additional factors did not improve the results. Frost in the maturing season is probably also a factor of some importance in some years. Simple methods to determine its importance did not indicate any improvement in the results of the study through its use.

The reduction in the 1929 yield indicated by this study is associated with deficient rainfall in the period before planting and above average temperatures in the growing and maturing season. Total rainfall at Cordoba in the months February to May was only about 3.7 inches compared with an average of

about 11.3 inches in the 33 years studied. The 1929 rainfall was lower in these four months than in the corresponding period for any of the preceding 33 years. The rainfall in the usually dry period June to August amounted to about 2.8 inches in 1929 compared with the average of about 1.4 inches.

The mean July temperature for the two stations was 52.5 degrees Fahrenheit this year compared with the 33-year average of 48.6 degrees Fahrenheit. The August temperature was 52.9 degrees Fahrenheit compared with the average of 51.0 degrees Fahrenheit. In September it was between 58 and 60 degrees this year compared with an average September temperature of 56.2 degrees, and in October it was between 61.5 and 63.5 as against an average October temperature of 61.2 degrees. The spread in the 1929 estimate of yield is due to the fact that definite figures are yet available for the temperatures in September and October.

Table 13 - Argentine wheat yield per acre sown, 1896 to 1929

Yield per acre sown			Yield per acre sown		
Year	As officially: reported	Calculated from weather <sup>a/</sup>	Year	As officially: reported	Calculated from weather <sup>a/</sup>
	Bushels	Bushels		Bushels	Bushels
1896 ....	5.1	4.5	::1913 ....	6.4	6.7
1897 ....	8.3	10.1	::1914 ....	10.9	11.4
1898 ....	13.3	13.4	::1915 ....	10.3	9.9
1899 ....	12.7	11.6	::1916 ....	5.2	5.8
1900 ....	9.0	10.4	::1917 ....	13.1	11.8
1901 ....	6.9	7.4	::1918 ....	10.6	11.7
1902 ....	11.4	11.8	::1919 ....	12.5	13.9
1903 ....	12.1	11.9	::1920 ....	10.4	9.7
1904 ....	12.4	11.8	::1921 ....	13.4	12.0
1905 ....	9.6	10.6	::1922 ....	12.0	12.7
1906 ....	11.1	10.0	::1923 ....	14.4	13.6
1907 ....	13.5	13.4	::1924 ....	10.7	11.5
1908 ....	10.4	12.4	::1925 ....	10.0	10.4
1909 ....	9.1	10.1	::1926 ....	11.5	10.4
1910 ....	9.4	8.9	::1927 ....	12.1	11.5
1911 ....	9.8	9.1	::1928 ....	14.7	12.7
1912 ....	11.0	9.8	::1929 ....	-	6.6-8.2

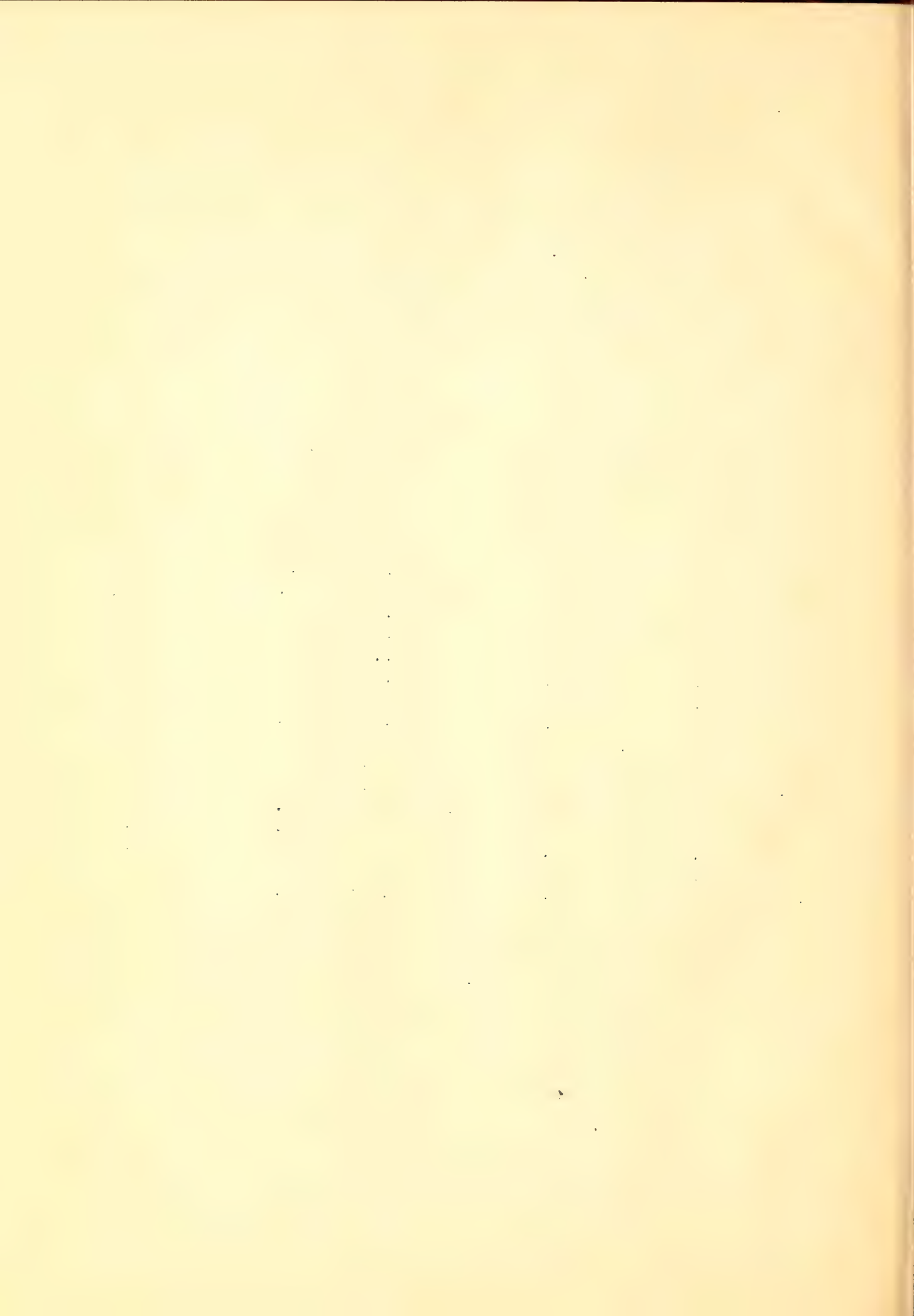
a/ The factors used were temperature Cordoba-Bahia Blanca July, August, September and October and rainfall Cordoba February to May and June to August. Results were as follows:  $P = .905$ ,  $\bar{P} = .860$ ,  $Se = 1.0$  bushels,  $Se = 1.2$  bushels. The "corrected" standard error and the "corrected" index of correlation are calculated from the following formulas developed for linear correlation:

$$Se = \sqrt{\frac{\sum Z^2}{n-m}}$$

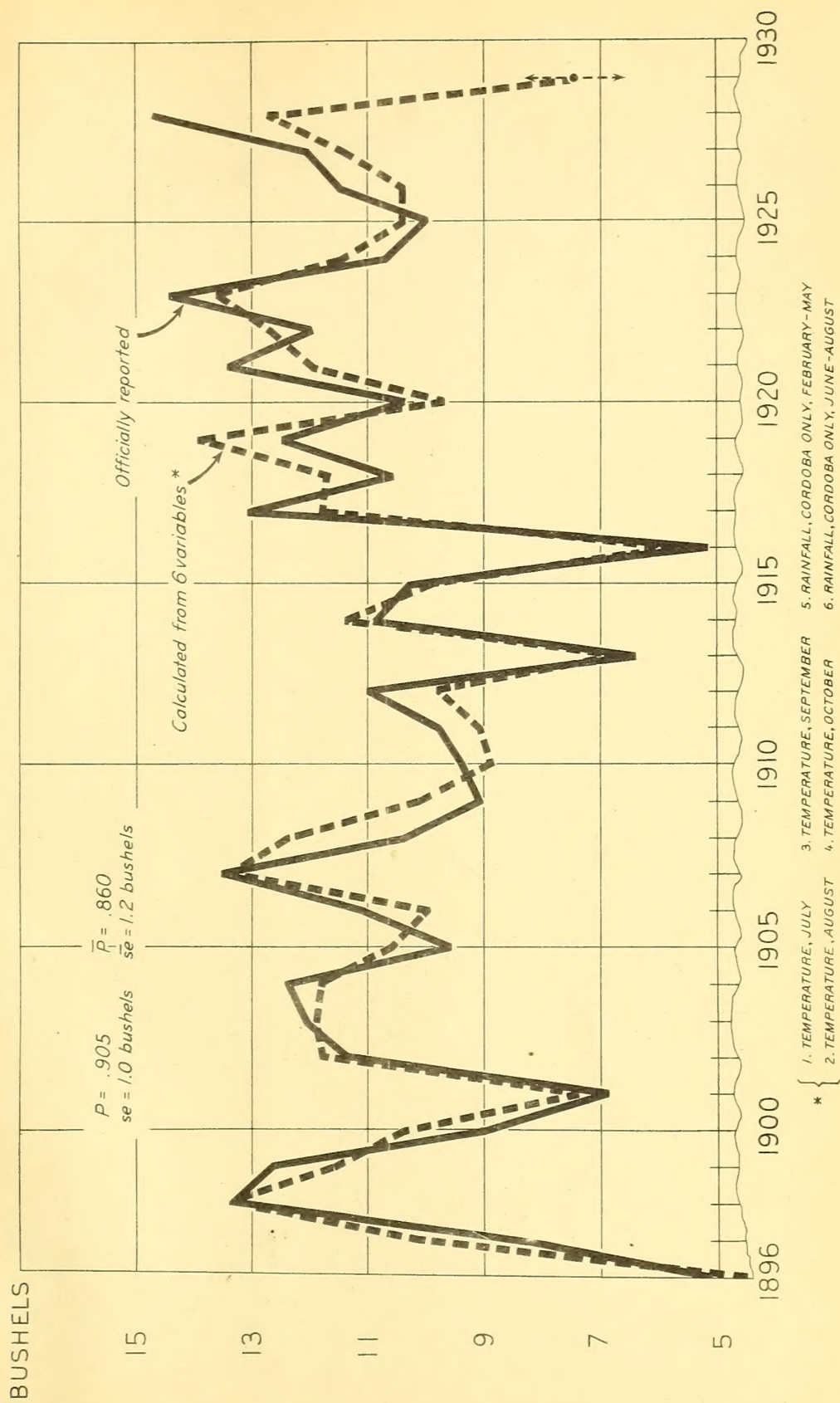
$$\bar{P} = \sqrt{\frac{Se^2}{\sigma_m^2}}$$

In using these formulas for the curvilinear correlation of this study it is assumed that the introduction of a curve in a regression has the same effect as the introduction of an additional variable. Hence  $m$  is made equal to the number of variables plus the number of regressions which are curvilinear.





# ARGENTINA: WHEAT YIELD PER ACRE SOWN



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